

EXHIBIT

A



Appraisal Review

Loan #

273-275 Rand St.
Central Falls, RI
2863

Loan Name

Valdera

Appraisal Review Date	7/19/2005
Appraisal Reviewer Name	Art Oldrich
Appraisal Reviewer Office	Itasca

Appraisal Value Conclusions	
Appraisal Value Concluded	\$375,000
Appraisal Income Approach	\$420,000
Appraisal Sales / Market Comparison Approach	\$375,000
Appraisal Cost Approach	\$381,000
Insurable Value	\$510,000
Appraisal Market Vacancy	5.00%
Appraisal Cap Rate	8.30%
Appraisal Subject Property Vacancy	0.00%

Appraisal Data	
Appraisal Firm	Houle and Assoc
Appraiser's Name & Credentials	James A. Houle Cert Gen
Appraisal Type	CS-71B
Effective Date	5/5/2005
Date Update Required	9/2/2005
Street	198 Union Street
City	Portsmouth
State & Zip	RI, 02871

Property Info	
Property Type	Multi Family
Property Sub Type	Low Rise
# Units	6
Square Feet (gross)	4,920
Square Feet (net)	4,920
Property Street Address	273-275 Rand St
Property City & State	Central Falls, RI
Property Zip	2863
Date Property Inspected	5/5/2005

Property Info	
Stabilized Occupancy	5.00%
Actual Age	105 years
Effective Age	20 years
Remaining Economic Life	45 years
Property Condition (E, G, A, F, P)	A
Zoning Classification	R3
# Parking Spaces	6 w/3-car garage

Checklist (explain all unchecked boxes)

1 USPAP /FIRREA Compliant	X	13 Legal or Permitted Use	X
2 Appraiser has a Certified General license	X	14 If Checked Above, Legal Non-Conforming	
3 Checklist Items Complete	X	15 If Checked above, able to be rebuilt	X
4 Attachments Complete	X	16 Sufficient Number of Units Inspected	X
5 Appraisal under 4 Months Old	X	17 Current Use highest and best use	X
6 Subject not unique	X	18 Sufficient remaining economic life	X
7 Subject in at least average condition	X	19 One tax parcel - legal description	X
8 No Significant Deferred Maintenance	X	20 No Detrimental Adjacent Uses	X
9 No Health or Safety Violations	X	21 No Detrimental Environmental Use	X
10 Location not Rural	X	22 Comps similar / nearby	X
11 Property Fee Interest	X	23 No Decline in Neighborhood Values	X
12 No Work in Progress	X	24 No other Appraisal issues noted	X

Explanations / Conditions coming out of checklist above (reference number)

1) #3 - Stips placed for missing checklist items.
2) #24 - See S/T Condi



APPRV



Valuation

Loan #

0

Loan Name

Valdera

Concluded Value:

Appraised Value Conclusion	\$375,000
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Cost Approach:

Value Via the Cost Approach	\$381,000
Land Value	\$75,000
Land to total Cost Approach Value	19.69%
Insurable Value	\$ 510,000

Appraisal Reviewer Indicated Value Via Cost Approach	N/A
Was the cost approach completed?	Yes
If cost approach completed, does the value seem reasonable?	Yes

Cost Approach (explain all unchecked boxes)

Cost Approach was completed. The Insurable Value Of The Improvements is based upon the RCN

Sales Comparison Approach:

Value via the Sales Comparison Approach	\$375,000
Are the selected comparables reasonable?	Yes
Has a Sales Comparison adjustment grid been completed?	No
Can the sales price of Comparables be verified?	Yes
Do the comparables bracket the subject's value estimate?	Yes
Are the comparables within a reasonable distance?	Yes

Sales Comparison Approach (explain all unchecked boxes)

Subject indicated value of \$62,500/unit is bracketed by the sales. All other indicators closely aligned and supportive.

Indicators of Value

Preadjusted	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Sale Price/Appraised Value	\$375,000	\$335,000	\$383,000	\$336,000	
Sale Date/Date of Value	Pending	2/22/05	12/15/04	12/10/04	1/0/00
Potential Gross Income	\$53,400	\$48,900	\$50,300	\$53,460	
GIM	7.02	6.85	7.61	6.29	0.00
Number of Units	6	6	6	6	6
Number Vacant	0	0	0	0	0
Average Monthly Rent/Unit	\$742	\$679	\$699	\$743	#DIV/0!
Physical Vacancy Rate	0.00%	0.00%	0.00%	0.00%	#DIV/0!
Price Per Unit	\$62,500	\$55,833	\$63,833	\$56,000	\$0
Gross Bldg Area	4,920	4,597	5,616	5,217	
Average Unit Size	820	766	936	870	#DIV/0!
Price per Sq Ft	\$76.22	\$72.87	\$68.20	\$64.40	#DIV/0!
Annual Rent per Sq Ft	\$10.85	\$10.64	\$8.96	\$10.25	#DIV/0!
Monthly Rent Sq Ft	\$0.90	\$0.89	\$0.75	\$0.85	#DIV/0!

Post-adjusted ranges of Price per Unit and Price per Square Foot

Adj. \$ per Unit				
Adj. \$ per Sq Ft				
Net Adjustments	-100.00%	-100.00%	-100.00%	-100.00%
Gross Adjustments	0%	0%	0%	0%



Valuation

Loan #

0

Loan Name

Valdera



Valuation

Loan #

0

Loan Name

Valdera

Income Approach

Value via the Income Approach

\$ 420,000

Subject rents bracketed by Comparables?
Utilities in comps similar to the subjects?
PGI supported by the submitted rental data?
Forecasted Expenses reasonable for property type?
Forecast Expenses common for property type?
If Commercial, Tis and Leasing commissions included?
Cap Rate supported by the Reviewer's cap rate calculation?

Yes
Yes
Yes
No
No
N/A
N/A

Income Approach (explain all unchecked boxes)

Subject expenses stabilized at 37.07% with all sales being stabilized at 35%. An OAR of 8% was concluded.

Units
SF
Subject PGI
Vacancy and Collection Loss
EGI
Expenses
Ann Exp Per Unit
Ann. Exp. per Sq ft.
Ann Exp as a % of EGI
NOI/Cashflow
Reported Cap Rate
Stabilized Cap Rate
Ackerson Cap Rate
Concluded Cap Rate

Appraisal Subj	Comp 1	Comp 2	Comp 3	Revised Suf
6	6	6	6	6
4,920	4,597	5,616	5,217	4,920
\$53,400	\$48,900	\$50,300	\$53,460	\$51,000
5 0%	5 0%	5 0%	5 0%	5 00%
\$50,730	\$46,455	\$47,785	\$50,787	\$48,450
\$15,905	\$16,259	\$16,725	\$17,775	\$17,962
\$2,651	\$2,710	\$2,788	\$2,963	\$2,994
\$3 23	\$3 54	\$2 98	\$3 41	\$3 65
31 35%	35 00%	35 00%	35 00%	37 07%
\$34,825	\$30,195	\$31,060	\$33,012	\$30,488
8 30%				
9 00%	9 01%			9 00%
7 97%		8 11%		7 97
8 00%				

PGIM
PGIM X PGI
NOI/Cap Rate
Indicated Value Via Income Approach

7 00
\$ 373,800
\$381,100
\$375,000

Final Reconciliation

Appraiser Concluded Value
Appraiser Market Approach
Appraiser Cost Approach
Appraiser Income Approach

\$375,000
\$375,000
\$381,000
\$420,000

Review Value Estimate
Difference

\$375,000
0 00%



Expense Revision:

Loan #

Loan Name Valdera

New Century Commercial Department: Expense Revision Sheet						
Borrower	Valdera			Appraiser's Estimate	Reviewer's Estimate	
Address:	273-275 Rand St	Central Falls, RI	2863			
Base Rental Income	Appraisal vacancy rate	5%	\$53,400	\$51,000	Rev % of EGI	Exp per Sq.ft.
Vacancy & Rent Loss	Reviewer vacancy rate	5%	\$2,670	\$2,550		Exp Per Unit
Effective Gross Income			\$50,730	\$48,450		
Taxes			\$2,588	\$3,039	6.27%	\$0.62
Other taxes & licenses						
Insurance			\$1,200	\$3,200	6.60%	\$0.65
Unsubordinated ground rent						
Fuel						
Gas						
Electricity				\$1,000	2.06%	\$0.20
Water & Sewer			\$1,250	\$1,000	2.06%	\$0.20
Trash Removal				\$1,000	2.06%	\$0.20
Pest Control				\$300	0.62%	\$0.06
Maintenance & Repairs			\$2,500	\$3,000	6.19%	\$0.61
Interior & Exterior Decorating			\$2,500	\$500	1.03%	\$0.10
Cleaning expense & supplies			\$400	\$500	1.03%	\$0.10
Management (off-site)			\$2,500	\$2,423	5.00%	\$0.49
Res Mgr salary & apt						
Janitors) salary & apt						
Miscellaneous			\$1,200	\$500	1.03%	\$0.10
Reserves			\$1,767	\$1,500	3.10%	\$0.30
			\$0	\$15,905	\$17,962	37.07%
						\$3.65
						\$2,994
Net Operating Income	\$0	\$34,825	\$30,488	62.93%		\$499
Please explain all checked items below. Reviewer's est is based on rent roll, leases, 5% vacancy factor, 5% management fee. Rents computed at an average of 81/sf/month						
Net Operating Income 30,488 Divided by Cap Rate 0.08000 Property Value* \$ 381,100						
Recommendations:						
Reviewed By Art Oldrich	Date	7/19/2005				

Cap Rate Dev & Yield Analysis

Instructions & Use

- 1 Yield Analysis recognizes all financial ownership aspects. These elements include income growth, value growth over an assumed ownership period, equity build-up via loan reduction, loan terms, and This worksheet develops an overall cap rate (Ro) that can be applied an equivalent levelnet income.
2. If the income stream is not level, the worksheet calculates the equivalent level income, then applies
- 3a Assuming income change is a percentage, enter information only into yellow highlighted cells
- 3b If income change is not a percentage, enter information into yellow highlighted cells. Then, removed

Assumptions

Target Equity Yield Rate	(Ye)	10.00%
Loan Interest Rate		7.00%
Loan Amort (Years)		30
Loan Pymts Per Year		12
Mortgage Ratio or LTV	(M)	70%
Ownership Period (Whole Years)		10
Total Value Change Over		
Ownership Period	(Vc)	0.00%
First Year Net Income	(Io)	\$30,488
Annual Income Change		0.00%

Automatic Computations

Monthly Loan Constant	.	.	0.6653%
Annual Loan Constant	.	(Rm)	7.9836%
Loan Portion Paid Over			
Ownership Period	.	(P)	14.1876%
Sinking Fund Factor	.	(SFF)	6.2745%

$$\begin{array}{l}
 \begin{array}{llllll}
 M & \times & Rm & = & (M) (Rm) & \Rightarrow \\
 E & \times & Ye & = & (E) (Ye) & \Rightarrow \\
 & & \text{Sum} & = & \text{Weighted Avg} & \\
 \end{array} \\
 \begin{array}{llllll}
 & & & & 70\% & \times & 7.98\% = 5.59\% \\
 (*) \quad M & \times & P & \times & SFF & = & (M) (P) (SFF) \Rightarrow 70\% \times 14.19\% \times 6.27\% = -0.62\% \\
 (**) \quad Vc & \times & SFF & = & (Vc) (SFF) & \Rightarrow & 0.00\% \times 6.27\% = 0.00\%
 \end{array} \\
 \begin{array}{llllll}
 & & & & 30\% & \times & 10.00\% = 3.00\% \\
 & & & & & & = 8.59\% \\
 & & & & & & \\
 & & & & \text{Sum} & = & Ro = 7.97\%
 \end{array}
 \end{array}$$

(*) = Less Credit for Loan Reduction

(**) = Less Downward Adjustment for Value Growth OR Upward Adjustment for Value Loss

Comments:

Equity Yield Rate (Ye)	10.00%
Annual Income Change	0.00%

Yr	Net (Io)	Present Factor	Present Worth	
			Income	x
1	\$30,488	x	0.90909	= \$27,716
2	30,488	x	0.82645	= 25,197
3	30,488	x	0.75131	= 22,906
4	30,488	x	0.68301	= 20,824
5	30,488	x	0.62092	= 18,931
6	30,488	x	0.56447	= 17,210
7	30,488	x	0.51316	= 15,645
8	30,488	x	0.46651	= 14,223
9	30,488	x	0.42410	= 12,930
10	30,488	x	0.38554	= 11,754
			10	\$304,880 <= Totals =>
				\$187,336
				Equivalent Level Income (Io) = \$30,488
				Value Estimate (Io / Ro) = \$382,757

Limits Conditions, Certification, Scope, Use & Intended Users of Appraisal Reviews

Intended Users: This review is intended solely for the internal use of New Century Mortgage Corporation (NCMC), hereafter referred to as Lender/Client, its successors and/or assigns

Intended Use: The intended use of this quantitative review is for quality assurance for the lender/client and may be used as part of a state licensing or regulatory board referral. This review may be conducted either prior to the loan closing or post closing, to determine the completeness of the material under review, propriety of any adjustments to the data, appropriateness of the appraisal methodology and techniques used, and whether the analyses, opinions, and conclusions are appropriate and reasonable.

NCMC Collateral Value: Determination of value for lender/client's mortgage lending purposes. The collateral value of a piece of property is affected by its physical characteristics, its current and ultimate use, special or creative financing terms including sales concessions paid by an interested party to the transaction, loan to value and/or combined loan to value, the amount of the down payment and/or the amount of the primary and/or secondary financing, the time of exposure on the open market, the buyer's and/or seller's motivations, the sales and listing history of the property within the last 3 years, commercial real estate market trends, the rate of market absorption of new and/or existing commercial properties and recent market sale data, if available. The review appraiser has access to such proprietary information, such as the borrower's credit information, including credit scores, financing terms and ownership history, to assist him/her in the NCMC collateral value determination.

Scope of Review

In order to make determinations as to the completeness of the material, propriety of adjustments, appropriateness of the appraisal methodology and techniques, and the reasonableness of the analyses, opinions, and conclusions in the appraisal report, at a minimum, the review appraiser has read the entire report under review. Unless otherwise stated within the body of the review, the information contained within the original appraisal report is considered credible and in compliance with the applicable development standards of the Uniform Standards of Professional Appraisal Practice and are extended to this review report by the use of an extraordinary assumption.

The reviewer has correctly employed those recognized methods and techniques necessary to develop credible appraisal review opinions and avoid material errors of commission or omission.

The reviewer does not have access to local databases unless otherwise stated within the body of the review. The information contained within the appraisal has not been verified or confirmed. As previously stated, the information contained within the appraisal has been deemed to be credible and extended to the review report by the use of an extraordinary assumption.

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

Limiting Conditions:

** Unless otherwise stated, the analyses, opinions, and conclusions in the review report are based solely on the data, analyses, and conclusions contained in the appraisal report under review. The data in the report under review is assumed to be true and representative of market conditions. Unless otherwise stated, no attempt has been made to obtain additional data.

** The review report to which this certification applies is not to be considered an appraisal of the subject property.

** The review has been conducted in the context of the market conditions as of the effective date of the opinion in the appraisal report being reviewed. This review does not serve as an "update" to the original report, and the date of review does not change the effective date of the original appraisal.

** The reviewer assumes no responsibility for matters of a legal nature that affect either the property that is the subject of this review or the appraisal review or the title to it. The review appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is reviewed on the basis of it being under responsible ownership.

** The reviewer is not required to give testimony or appear in court because of having made the review unless arrangements have been previously made.

** The review appraiser has noted in the appraisal review report any adverse conditions (such as, but not limited to, needed repairs, the presence of hazardous waste, toxic substances, etc.) noted during the normal research involved in performing an appraisal review. Unless otherwise stated in the appraisal review report, the review appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, expressed or implied, regarding the condition of the property. The review appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the review appraiser is not an expert in the field of environmental hazards, the appraisal review report must not be considered as an environmental assessment of the property.

** Information, estimates, and opinions furnished to the reviewer and contained in the review report were obtained from sources considered reliable and believed to be true and correct. However, the reviewer can assume no responsibility for the accuracy of such items furnished to the reviewer.

** The review appraiser will not disclose the contents of either the appraisal report or the appraisal review report except as provided for in the Uniform Standards of Professional Appraisal Practice. The contents of the original appraisal report and the appraisal review report are governed by the Uniform Standards of Professional Appraisal Practice and the Bylaws and Regulations of the appraisal organizations with which the reviewer is affiliated.

** Neither all, nor any part of the content of the review report, or copy thereof (including the conclusions of the review, the identity of the reviewer, professional designations, reference to any professional appraisal organizations, or the firm with which the reviewer is connected) shall be used for any purposes by anyone but the client specified in the review report, its successors and/or assigns, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or District of Columbia, without the previous written consent of the Commercial Lending Department of NCMC.

** No change of any item in the review report shall be made by anyone other than the reviewer and the reviewer shall have no responsibility for any such unauthorized change.

Certification: The reviewer certifies and agrees that, to the best of his/her knowledge and belief

- The facts and data reported by me, the reviewer, and used in the review process, are true and correct
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions
- Unless stated elsewhere, I have no present or prospective interest in the property that is the subject of this report
- I do have a personal interest with respect to the parties involved. I am an employee of the mortgage lender for the loan transaction
- I did not base, either partially or completely, my analysis and/or the opinion of value (if any) in the appraisal review report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property, or on any other basis prohibited by law.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with The Uniform Standards of Professional Appraisal Practice
- Unless stated elsewhere in this report, I have not personally inspected the subject property or the comparable sales of the report under review and did not verify any data presented. If an inspection was made, it was a drive-by, exterior only, inspection
- Unless stated elsewhere in the review report, no one provided significant real property appraisal or review assistance to me

Supplemental Certification:

- I certify, to the best of my knowledge and belief, the analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute (AI) and/or National Association of Independent Fee Appraisers (NAIFA)
- The use of this review report is subject to the requirements of the Appraisal Institute and/or National Association of Independent Fee Appraisers, relating to review by its duly authorized representatives
- As of the date of this report, as a designated member, I have completed the requirements of the continuing education program of the Appraisal Institute (AI) and/or National Association of Independent Fee Appraisers (NAIFA)

Art Oldrich _____

Review Appraiser's Signature

Borrower Valdera _____

Address 273-275 Rand St _____

Art Oldrich _____

Review Appraiser's Name

City Central Falls, RI _____

State RI _____

Zip 2863 _____

License/Certification

AR003115

State CA _____

Expiration 11/9/2006



Loan # 0
 273-275 Rand St
 Central Falls, RI
 2863
 Loan Name Valdera

Value Conclusions	
Appraised Value	\$375,000
Income Approach Value	\$420,000
Appraisal Sales / Market Comparison Approach.	\$375,000
Cost Approach Value	\$381,000
Neighborhood Market Vacancy	5.0%
Appraisal Cap Rate	8.30%
Review Value	\$375,000
Review Cap Rate	8.00%

Appraisal Firm Information

Appraisal Firm	Houle and Assoc.
Appraiser's Name & Credentials	James A. Houle Cert. Ger.
Appraisal Type	CS-71B
Date Update Required	12/2/2004
Date of Value	5/5/2005
Street	198 Union Street
City	Portsmouth
State & Zip	RI, 02871

Appraisal Review Information

NCMC Office Reviewed	Itasca
Appraisal Review Date	7/19/2005
Appraisal Reviewer Name	Art Oldrich

Property Information

Property Type	Multi Family
Property Sub Type	Low Rise
# Units	6
Square Feet	4,920
Property Street Address	273-275 Rand St
Property City & State	Central Falls, RI
Property Zip	2863
Property Occupancy	100.00%

Reconciliation

Appraiser Value Final Estimate	375,000
Review Value Final Estimate	375,000
Difference	0.00%
Appraisal is acceptable - As Is	
Appraisal is acceptable - With Conditions	X
Appraisal is not acceptable	

Summary of Approaches (Only Fill Out if Conflicting)

Cost Approach was completed. The Insurable Value Of The Improvements is based upon the RCN. Subject indicated value of \$62,500/unit is bracketed by the sales. All other indicators closely aligned and supportive. Subject expenses stabilized at 37.07% with all sales being stabilized at 35%. An OAR of 8% was concluded.

Property / Site / Neighborhood (Only Fill out to explain resolution of unusual items)

NOTE TO U/W: APPRAISER IS ON NCEN " WATCH LIST " PER ADS REPORT. SOME INVESTOR CONCERNs WERE NOTED
 NOTE TO U/W: LEGAL, NON-CONFORMING USE. APPRAISER STATES THAT PROPERTY, IN CASE OF FIRE, CAN BE REBUILT
 NOTE TO U/W: LARGE NUMBER OF TRUCKS PARKED DIRECTLY ACROSS THE STREET FROM THE SUBJECT.

Final Value Reconciliation (Only Fill Out if Needed to explain Value Reconciliation)

S/T Conditions have been met, the appraisal will be acceptable for lending purposes.

The appraiser concurs with the reported sales price of \$375,000.



Appraisal Conditions:

Loan # 0
 273-275 Rand St.
 Central Falls, RI
 2863

Loan Name Valdera

The appraiser is to provide/address the following items/issues.

1. Appraiser to reconcile NRA figures, page 2 of report, which total 5,256sf with GBA figures, per Cost Approach, of 4,920sf (same page of report) This difference must be reconciled Not corrected, reviewer made correction and waived
2. Appraiser to explain interior photos which depict unit #1 as appearing to be vacant. Cleared
3. Appraiser to inspect all units (per NCEN Commercial Check List) Cleared
4. Appraiser to provide a Sales Adjustment Grid showing quantitative / qualitative adjustments to the sales (per NCEN Commercial Check List). Cleared
5. Appraiser to correct page 3 of the report, showing Forecasted Income in the correct space with Actual Income shown in it's correct space. Not corrected, reviewer waived

6. Appraiser to comment upon industrial / commercial influences in the immediate area. Please describe them and indicate if they have any negative influences upon value / marketability. Note trucks in photo Cleared
7. Appraiser to provide photos of the rent comparables used Cleared
8. Appraiser to provide a regional map with the subject plotted Cleared

APPRAISAL OF REAL PROPERTY

LOCATED AT:

273-275 Rand St
Book 548 Pages 330-331
Central Falls, RI 02863

FOR:

Rhode Island Mortgage Store
Commercial Real Estate Division

AS OF:

5 May 2005

BY:

James A Houle, Houle & Associates
198 Union Street
Portsmouth, RI 02871
401- 846- 5225



James Houle & Associates (401)846-5225

APPRAISAL REPORT-RESIDENTIAL INCOME PROPERTY

This form may be used for appraisal of income producing properties provided the loan requested does not exceed \$750,000

Borrower/Client <u>Sobeida & Juane Valdera & Baby Butros</u>		File No _____															
Property Address <u>273-275 Rand St</u>		Map Reference _____															
City <u>Central Falls</u> County <u>Providence</u> State/RI _____ Zip Code <u>02863</u>		Census Tract _____															
Legal Description <u>Book 548 Pages 330-331 6/3/2004 corrective deed Acquisition by the current owners was in book 548, page 279</u>																	
6/2/2004, reported price paid <u>\$278,000</u>																	
Current Sale Price (if applicable) \$ <u>375,000</u>		Date of Sale <u>Pending</u>															
Loan Requested \$ <u>Unknown</u>		Terms of Sale <u>Contract not available for review terms unknown</u>															
Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold (attach completed Lease Analysis FHLMC Form 461)		Lender's Address <u>New Century Mortgage Corporation Commercial Real Estate Division</u>															
Instructions to Appraiser: The purpose of this appraisal is to estimate the current Market Value of the Subject Property. The Definition of Market Value is as set forth in Certification And Statement Of Limiting Conditions (FHLMC 439)																	
Note: FHLMC/FNMA do not consider the racial composition of the neighborhood to be a relevant factor and it must not be considered in the appraisal																	
Other Information <u>Property is appraised in an "as is" condition</u>																	
Appraisal requested from <u>Rhode Island Mortgage Store</u>		Date <u>11 May 2005</u>	19 <u>19</u> By _____														
Items 1 2 4 5 & 6 are required. Attach additional items and check box if items are considered appropriate for this appraisal or are requested by Lender																	
<table border="0"> <tr> <td><input checked="" type="checkbox"/> Descriptive photographs of subject property</td> <td>7 <input type="checkbox"/> Map(s) <input checked="" type="checkbox"/> Subject and comp sales <input checked="" type="checkbox"/> comp rentals</td> </tr> <tr> <td><input checked="" type="checkbox"/> Descriptive photographs of street scene</td> <td>8 <input type="checkbox"/> Plot plan or survey</td> </tr> <tr> <td><input checked="" type="checkbox"/> Photographs of <u>comp sales</u></td> <td>9 <input type="checkbox"/> Qualifications of Appraiser</td> </tr> <tr> <td><input checked="" type="checkbox"/> Sketch or floor plan of typical units</td> <td>10 <input type="checkbox"/> Lease Analysis FHLMC 461 (required if leasehold interest appraised)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Owner's current certified rent roll if existing, or pro forma if proposed or incomplete</td> <td>11 <input type="checkbox"/> Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Owner's income and expense statement</td> <td>12 <input type="checkbox"/> Copy of tax assessor's field card</td> </tr> <tr> <td><input checked="" type="checkbox"/> Owner's income and expense statement</td> <td>13 <input type="checkbox"/> Appraiser's certification</td> </tr> </table>				<input checked="" type="checkbox"/> Descriptive photographs of subject property	7 <input type="checkbox"/> Map(s) <input checked="" type="checkbox"/> Subject and comp sales <input checked="" type="checkbox"/> comp rentals	<input checked="" type="checkbox"/> Descriptive photographs of street scene	8 <input type="checkbox"/> Plot plan or survey	<input checked="" type="checkbox"/> Photographs of <u>comp sales</u>	9 <input type="checkbox"/> Qualifications of Appraiser	<input checked="" type="checkbox"/> Sketch or floor plan of typical units	10 <input type="checkbox"/> Lease Analysis FHLMC 461 (required if leasehold interest appraised)	<input checked="" type="checkbox"/> Owner's current certified rent roll if existing, or pro forma if proposed or incomplete	11 <input type="checkbox"/> Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable)	<input checked="" type="checkbox"/> Owner's income and expense statement	12 <input type="checkbox"/> Copy of tax assessor's field card	<input checked="" type="checkbox"/> Owner's income and expense statement	13 <input type="checkbox"/> Appraiser's certification
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Location <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		OVERALL RATING															
Built-up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%		<table border="1"> <tr><td>Good</td><td>Avg</td><td>Fair</td><td>Poor</td></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td></tr> </table>		Good	Avg	Fair	Poor	1	2	3	4						
Good	Avg	Fair	Poor														
1	2	3	4														
Present land use <input type="checkbox"/> % Condominiums <u>50</u> % 1-Family <u>30</u> % Apartments		Employment Stability															
<input type="checkbox"/> 15 % Commercial <u>5</u> % vacant		Adequacy of Utilities															
Change in present land use <input type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)		Convenience of Schools															
(*) From _____ To _____		Police and Fire Protection															
Property values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining		Recreational Facilities															
Housing demand/supply <input type="checkbox"/> In balance <input type="checkbox"/> Shortage <input type="checkbox"/> Oversupply		Property Compatibility															
Predominant occupancy <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <u>0-5</u> % Vacant		Protection from Detrimental Conditions															
Condominium Price range <u>\$150,000</u> to <u>\$220,000</u>		General Appearance of Properties															
Age <u>new</u> yrs to <u>30</u> yrs		Appeal to Market															
Single Family Price range <u>\$125,000</u> to <u>\$300,000</u>																	
Age <u>New</u> yrs to <u>150</u> yrs																	
Typical apartment Type <u>Up/down walkup</u>																	
No Units <u>3</u> Age <u>80</u> yrs																	
Rent Levels <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining																	
Estimated neighborhood apartment vacancy rate <u>5</u> % <input type="checkbox"/> Decreasing <input type="checkbox"/> Stable <input type="checkbox"/> Increasing		Distance															
Rent Controls <input type="checkbox"/> No		Access or Convenience															
Yes (comments on page 4 if Yes)																	
Describe any incompatible land uses and overall property appeal and maintenance level <u>City fairly densely developed with wooden frame detached single and small multi family houses on small urban lots. Area developed years ago. Properties along main arteries contain small commercial uses. There are very few incompatible uses found. Property has average appeal. Properties in general kept to average condition levels.</u>																	
Describe any oversupply of units in area by type and rental <u>No oversupply noted. City has seen about a 15% appreciation in last year, with small multi family housing appreciating at least at that rate. This increase in value driven by reduced supply of available rental units and increase in rental income along with consistent rental collection.</u>																	
Describe any shortage of units in area by type and rental <u>No real shortage noted at time of report. Vacancy holding steady at 5% level, which is typical of State of RI average overall.</u>																	
Describe potential for additional units in area considering land availability zoning utilities etc <u>Central Falls is fairly densely developed, with little land available for new construction. In addition, most lots were platted prior to current zoning, so they tend to be non conforming in size. Therefore, the lack of available lots and the average lot size smaller than current standards would limit, if not prevent, the construction of new units.</u>																	
Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities? <input type="checkbox"/> Yes If yes specify <u>yes If yes specify</u>																	
Although population statistics/ demographics do not answer this question directly it would appear that by virtue of items such as current occupancy rate, steady increases in rent charges and consistent appreciation of small income properties the population is of sufficient size																	
Describe any probable changes in the economic base of neighborhood which would favorably or adversely affect apartment rentals(e.g. employment centers, zoning) <u>Economic base has remained steady over last 10 years. In last few years, State unemployment levels low, including in Central Falls. However no significant amounts of new commercial growth foreseen. The climate should remain steady.</u>																	
General comments including either favorable or unfavorable elements not mentioned (e.g. public parks, view, noise, parking congestion) <u>Neighborhood is typical of area. No excessive noise or other nuisance. Parks and other public recreational facilities available nearby. Public transportation makes recreational facilities of nearby towns available as well, including salt and fresh water beaches. Likewise, employment and other services readily available, as well.</u>																	
Dimensions <u>50' x 105' +/-</u>		Area <u>5,250</u> Sq Ft or Acres															
Zoning (classification uses and densities permitted) <u>R-3 (5,000 sf minimum 2,000 sf per unit). The R3 zone indicates a medium density residential area comprised of single and multi family dwellings</u>																	
Present Improvements <input type="checkbox"/> Do <input checked="" type="checkbox"/> Do not conform to zoning regulations																	
Highest and best use <input type="checkbox"/> Present use <input type="checkbox"/> Other (specify) <u>subject use density exceeds minimum zoning standards, however because use long predates zoning, it could be rebuilt to an as is configuration if destroyed</u>																	
Public <input type="checkbox"/> Comm <input type="checkbox"/> Individual <input type="checkbox"/> Street <input type="checkbox"/> Public <input type="checkbox"/> Private		Ingress and Egress (Adequacy) <input type="checkbox"/> Average															
Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sanitary Sewer <input type="checkbox"/> Sep Tnk <input type="checkbox"/> Underground Electricity & Telephone <input type="checkbox"/>		Topography <input type="checkbox"/> Level to street, average															
Surface Asphalt <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb & Gutter <input type="checkbox"/> Sidewalk <input type="checkbox"/> Alley		View Amenity <input type="checkbox"/> Neighborhood/average															
Street Lights <input type="checkbox"/>		Drainage and Flood Conditions <input type="checkbox"/> Drainage appears adequate															
No apparent flooding problems																	
Is the property located in a HUD Identified Special Flood Hazard A162?																	
COMMENTS (including any easements or encroachments or any nonconforming use(s) of present improvements) <u>Site typical of area. No easements or encroachments noted. Non conforming uses are common throughout area as most lots are small and multi-family uses are common. All utilities available on site.</u>																	

DESCRIPTION OF IMPROVEMENTS	Existing No of Blds	Approx No of Units	Year Built 19 00	Proposed No of Rooms	Under Construction No of Baths	Elevator Parking Spaces	Walk-up No of Stories	Row or Townhouse Type open, w/ 3 car garage												
	Basic Structural System	Wooden frame	Exterior Walls	Wood shingle	Flooring	Ceramic tile/plaster	Roof Covering	Flat rubber/gravel												
	Interior Walls	Plaster	Floors	Hardwood/vinyl/ceramic/carpet	Bath Floor and Walls	Ceramic tile/plaster														
	Insulation				Adequacy		Adequacy and Soundproofing	Average												
	Heating	<input checked="" type="checkbox"/> Central	<input checked="" type="checkbox"/> Individ	Type Forced hot water boilers	Fuel Gas	Condition	Average, common for area, no impact													
	Air Conditioning	<input checked="" type="checkbox"/> Central	<input checked="" type="checkbox"/> Individ	Describe None		Adequacy and Condition														
	Elevator(s)	Number 0	Automatic	N/A	Adequacy and Condition	N/A lack of elevators is typical, few buildings in area have any														
	Security Features	Front door locks, smoke detectors/fire alarm system																		
	Kitchen cabinets, drawers and counter space	<input checked="" type="checkbox"/>	Adequate	<input checked="" type="checkbox"/>	Inadequate	OVERALL PROPERTY RATING	Good	Avg	Fair	Poor										
	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Fan/Hood	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Disposal		General appearance of property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Washer	<input checked="" type="checkbox"/> Dryer			Quality of construction (materials and finish)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>											
Hot Water Heater(s)	6 hot water heaters, gas							Condition of improvements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>								
Plumbing Fixtures	Average, adequate							Rooms size and layout	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>								
Electrical Service	6 separate 100 amp services, 60 amp house service							Closets and storage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>								
Recreational Facilities	None on site, typical for area							Plumbing-adequacy and condition	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>								
					Electrical-adequacy and condition	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>											
					Amenities and parking facilities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>											
					Appeal to market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>											
Effective Age 20 Yrs	Estimated Remaining Economic Life 45 Yrs																			
COMMENTS (Special features, functional or physical inadequacies, repairs needed, modernization, etc) Building is in average condition overall. All three floors contain two separate residential units each of which is in average to good condition, average fit and finish. No repairs noted as needed, no functional or external obsolescence noted.																				
LAND SALES (complete ONLY if appropriate for this appraisal)																				
1	365 West Avenue, Pawtucket	Zoning Res	Area 8 100'-S	Sales Price 110,000	Date 6/25/04	Price per Sq Ft or per Unit \$ 13.58 Per														
2	55 Whitman Street, Pawtucket	Zoning Res	Area 5 506'-S	Sales Price 82,000	Date 9/2/04	Price per Sq Ft or per Unit \$ 14.89 Per														
3	204 Chandler Avenue, Pawtucket	Zoning Res	Area 5 000'-S	Sales Price 74,000	Date 6/3/04	Price per Sq Ft or per Unit \$ 14.80 Per														
Comments & Reconciliation: No land sales in central falls in last year, so 3 sales from neighboring (and sister) city of Pawtucket used.																				
Estimated Land Value \$ 75,000																				
APARTMENT BUILDING(S)-ESTIMATED REPRODUCTION COST NEW																				
50.00 X	28.00	=	1,400 Sq ft X	3 (Stories) =	4,200 Sq ft X \$	100.00	\$	420,000												
12.00 X	20.00	=	240 Sq ft X	3 (Stories) =	720 Sq ft X \$	100.00	\$	72,000												
X		=	Sq ft X	(Stories) =	Sq ft X \$		\$													
OTHER IMPROVEMENTS	appliances							\$	6,000											
Porches								\$	12,000											
S																				
TOTAL ESTIMATED COST NEW OF IMPROVEMENTS \$ 510,000																				
LESS DEPRECIATION	30% physical, 10% economic obsolescence							\$	204,000											
DEPRECIATED VALUE OF IMPROVEMENTS \$ 306,000																				
ADD-ESTIMATED LAND VALUE \$ 75,000																				
INDICATED VALUE BY THE COST APPROACH (IN FEE SIMPLE) \$ 381,000																				
IF LEASEHOLD DEDUCT VALUE OF FEE INTEREST (ATTACH CALCULATIONS) \$																				
INDICATED VALUE BY THE COST APPROACH (LEASEHOLD) \$																				
COST APPROACH																				
ITEM				COMPARABLE NO. 1				COMPARABLE NO. 2				COMPARABLE NO. 3								
Address 45 knight Street Central Falls				329 Hunt Street Central Falls				205 Hunt Street Central Falls												
Proximity to sub RnL survey date 0.18 miles May 2005				0.80 miles				0.95 miles												
Brief description of property improvements				No Units 4 No Vacant 0 Age 80 Yrs Similar overall to subject Retail unit on first floor, 4 residential units above				No Units 4 No Vacant 0 Age 75 Yrs Residential units, similar to subject				No Units 4 No Vacant 0 Age 60 Yrs Similar overall to subject								
Individual unit breakdown				Rm Count	Size	Monthly Rent	Rm Count	Size	Monthly Rent	Rm Count	Size	Monthly Rent	Rm Count	Size	Monthly Rent					
Tot	BR	b	Sq Ft	\$	#	Rm	Tot	BR	b	Sq Ft	\$	#	Rm	Tot	BR	b	Sq Ft	\$	#	Rm
5	3	1	1,200	1,050	0.88	210	5	3	1	1,100	1,000	0.91	200	3	1	1	824	675	0.82	225
3	1	1	678	650	0.96	217	5	3	1	1,100	975	0.89	195	3	1	1	824	675	0.82	225
3	1	1	600	650	1.08	217	3	1	1	650	675	1.04	225	3	1	1	824	675	0.82	225
5	3	1	1,200	1,200	1.00	240	3	1	1	650	655	1.01	218	3	1	1	824	665	0.81	222
Utilities, furniture and amenities included in rent				Separate utilities				Separate utilities				Separate utilities								
				Unfurnished, off street parking				Unfurnished, off street parking				No on site amenities								
				No on site amenities				No on site amenities												
Comparison to subject including rental concessions, if any				Similar to subject rental level				Good comparison to subject first floor				Good comparison to subject for first floor								
				Property contains 4 residential units,				retail use				unit								
				4th unit is 1 bed, similar to unit listed																
				above Retail unit rents at level																
				projected for subject																
Utilities included in actual rents				<input checked="" type="checkbox"/> Water	<input checked="" type="checkbox"/> Gas	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Air Conditioning	<input checked="" type="checkbox"/> Sewer maintenance											
Utilities included in forecasted rents				<input checked="" type="checkbox"/> Water	<input checked="" type="checkbox"/> Gas	<input checked="" type="checkbox"/> Heat	<input checked="" type="checkbox"/> Electric	<input checked="" type="checkbox"/> Air Conditioning	<input checked="" type="checkbox"/> Sewer, maintenance											
MONTHLY RENT SCHEDULE SUBJECT				ACTUAL RENTS				FORECASTED RENTS												
No of Units	Unit	RM	Count	Total Sq Ft	No. Units	Per Unit		Total Rents	Per Unit	Unfurnished	Furnished	Total Rents	Per Sq Ft or Room							
	Tot	BR	b	Rooms	Vacant	Unfurnished	Furnished													
1	6	3	1	6	1,332	0	\$ 900	1S	\$ 900	\$ 900	\$ 900	\$ 900	0.68	\$ 150						
1	3	1	1	3	420	0	650		650		650	650	1.55	217						
1	5	2	1	5	788	0	700		700		700	700	0.89	140						
1	5	3	1	5	964	0	750		750		750	750	0.78	150						
1	5	2	1	5	788	0	700		700		700	700	0.89	140						
1	5	3	1	5	964	0	750		750		750	750	0.78	150						
6	TOTAL			29					\$ 4,450			\$ 4,450								

ITEM		SUBJECT	COMPARABLE NO 1	COMPARABLE NO 2	COMPARABLE NO 3	
Address		273-275 Rand St Central Falls	30 West Hunt Street Providence	70 Lincoln Avenue Providence	33 Sumner Avenue Providence	
Proximity to subject			0.45 miles	0.71 miles	0.39 miles	
Map code						
Lot size	5,250	4,755 sf	4,973 sq ft	7,088 sf		
Brief description of building improvements	No Units 6 No Vac 0 Year Built 19 00	No Units 6 No Vac 0 Year Built 19 25	No Units 6 No Vac 0 Year Built 19 20	No Units 6 No Vac 0 Year Built 19 00		
	Two residential units on each of three floors	Typical multi-family, one building, up/down	Typical multi-family, one building, up/down	4 residential units, retail first floor	Average style and appeal	
Quality	Average	Equal	Equal	Equal		
Condition	Average	Equal	Equal	Equal		
Recreational facilities	None on site/ typical for area	None on site	None on site	None on site		
Parking	Garage/off street	Average for area	Limited off street	Limited off street		
Tenant appeal	Average/good	Average	Average	Average		
	Typical unit style, above average condition	Typical style for area	Typical style for area	Typical style for area		
	Building is 5,256 sf	Building is 4,597 sf	Building is 5,616 sf	Building is 5,217 sf		
Unit breakdown	No of Units	UNIT ROOM COUNT	No of Units	UNIT ROOM COUNT	No of Units	UNIT ROOM COUNT
	Total	BR Bath	Total	BR Bath	Total	BR Bath
	2	5 2 1	2	3 1 1	3	4 2 1
	2	5 3 1	3	4 2 1	3	5 3 1
	1	6 3 1	1	5 3 1		
	1	3 1 1				
Util paid by owner	Water, sewer	Separate heat, elect, gas	Water, sewer	Water, sewer	Water, sewer	
Data source	Inspect/owner/city data	MLS #447617/city	MLS #441797/city	MLS #446862/city		
Price	\$ 375,000	per unit	\$ 335,000	per unit	\$ 383,000	per unit
Sale Listing-Offer			Offered \$359,900 (112 DOM)	Offered \$419,900	Offered \$349,900 (47 DOM)	
Date of sale	Pending		2/22/05	12/15/04	12/10/04	
Terms (including conditions of sale and financing terms)	None noted	Convent. finan.	No special terms noted	Convent. finan.	Convent. finan.	No special terms noted
	Complete as many of the following items as possible using data effective at time of sale					
Gross Annual Income	\$ 53,400	\$ 48,900	\$ 50,300	\$ 53,460		
Gross Ann Inc Mult (1)	7.02	6.85	7.61	6.29		
Net Annual Income	\$ 34,825	\$	\$	\$		
Expense Percentage (2)	34.78 %	100.00 %	100.00 %	100.00 %		
Overall Cap Rate (3)	9.29 %	%	%	%		%
Price per unit	\$ 62,500	\$ 55,833	\$ 63,833	\$ 56,000		
Price per room	\$ 12,931	\$	\$	\$		
Price gross bldg area	\$ /sq ft bldg area	\$ 72.87 /sq ft bldg area	\$ 68.19 /sq ft bldg area	\$ 64.40 /sq ft bldg area		
(1) Sale Price / Gross Annual Income (2) Total Annual Expenses / Total Gross Annual Income (3) Net Annual Income / Price						
RECONCILIATION True cap rate cannot be determined from sales, as the operational cost not available for any of them. However, using indicators found in each sale, the value is estimated as follows						
Value	Using the indicators from the comp sales, the value of the subject is estimated					
per sq ft \$70.00 x 5,256 sf	= \$367,920	Based on the data provided, the estimate of subject value is \$375,000				
per unit \$60,000 x 6	= \$360,000					
per GRM 7.20 x \$53,400	= \$384,480					
INDICATED VALUE BY MARKET APPROACH \$375,000						
INCOME			EXPENSES	ACTUAL	FORECASTED	
Total Monthly Apartment Forecasted Rents	\$ 4,450	Real Estate Taxes*	\$ 2,587.63	\$		
Other Monthly Income (itemize)	\$	Other taxes or licenses				
Total Gross Monthly Forecasted Income	\$ 4,450	Insurance	1,200			
Total Gross Annual Forecasted Income	\$ 53,400	Unsubordinated ground rent				
Less Forecasted Vacancy and Collection Loss (- 5 %)	\$ 1 2,670	Fuel				
Effective Gross Annual Income	\$ 50,730	Gas				
Less Forecasted Expenses & Replacement Reserves	\$ 1 15,905	Electricity				
Net Annual Income from Total Property	\$ 34,825	Water and sewer	1,250			
Less Return on and Recapture of Depreciated Value of Furnishings (\$ _____ @ _____ %)	\$ 1 _____	Trash removal	in taxes			
Net Annual Income from Real Property	\$ 34,825	Pest control	0			
Capitalized as follows		Maintenance and repairs	2,500			
See development of cap rate on following page		Interior and exterior decorating	2,500			
Net income \$34,825 / cap rate .083 = \$419,578 rounded to \$420,000		Cleaning expenses and supplies	400			
*Real Est Taxes [] Actual [] Est Tax Rate Per \$100 \$		Management (Off-site)	2,500			
Total Assessed Value \$ 232,600		Res Mgr salary & apartment				
Comments Income approach develops value similar to market data		Janitor(s) salary & apartment				
This provides good support for final estimate of value		Miscellaneous				
This appraiser places strong weight on the income approach in the final estimate		misc labor	1,200			
		REPLACEMENT RESERVES				
		Carpeting and drapes				
		Ranges and refrigerators	650			
		Dishwashers and disposals				
		Individual heating & AC units	817			
		H2W	300			
		TOTAL EXPENSES & REPL. RES	\$ 15,905	\$		
		INDICATED VALUE BY INCOME APPROACH \$420,000				

GENERAL COMMENTS (Including comments on any items rated poor or fair) Subject very typical of properties in area. There are limited sales available for comparison, the most applicable of which were chosen for use.

In comparison to recent sales, consideration for time, distance, location, quality, size, condition, utility cost included in rents, garages. These adjustments are not shown in report, but all differences are considered in final opinion of value.

CONDITIONS AND REQUIREMENTS OF APPRAISAL (include required repairs, replacements, painting, termite inspections, etc.) No special conditions of report. The properties demonstrate conventional wear and tear, with only expected repairs and maintenance expected.

RECONCILIATION AND VALUE CONCLUSION

Indicated Value by the Cost Approach \$ 381 000

Indicated Value by the Market Approach \$ 375 000

Indicated Value by the Income Approach \$ 420,000

FINAL RECONCILIATION All three approaches weighed into final opinion of value. Cost approach given least weight, as the building is older and less able to be judged from this approach. The comparable sales approach and the income approach are each weighed equally.

I certify, that to the best of my knowledge and belief, the statements made in this report are true and I have not knowingly withheld any significant information, that I have personally inspected subject property, both inside and outside, and have made an exterior inspection of all comparable sales listed herein, that I have no interest, present or contemplated, in subject property or the participants in the sale, that neither the employment nor compensation to make said appraisal is contingent upon any value estimate and, that all contingent and limiting conditions are stated herein.

Certification and Statement of Limiting Conditions

(FHLMC Form 439 Rev 6/93) applies on file with Client Attached)

As a result of my investigation and analysis, my estimate of Market Value of the subject property as of 10 may 2005 19 is

\$ 375,000

Date 11 May 2005

Appraiser J. Houle, Houle & Associates

If applicable complete the following James A. Houle, Houle & Associates

Date _____ Appraiser _____

Date _____ Supervising or Review Appraiser _____
 Did Did Not Physically Inspect Property

FOR LENDER'S USE ONLY (completion optional)

Loan Recommended \$ _____ @ ____ % Term ____ yrs Principal & Interest \$ _____ /mo \$ _____ /annually
 Subject to _____

Borrower's Cost or Purchase Price \$ _____	Appraised Value \$ _____	Loan to Appraised Value _____ %
Loan Per Unit \$ _____	Per Room \$ _____	Per Sq Ft of Building Area \$ _____
Gross Annual Forecasted Income \$ _____	Gross Annual Income Multiplier _____	Overall Capitalization Rate _____ %
Forecasted Annual Expenses and Replacement Reserves \$ _____	(_____ % of Gross Annual Forecasted Income)	
Break-even Point (this loan) (Annual Exp & RR \$ _____ + Annual P & I pymts \$ _____) / (Gross Annual Income \$ _____) = _____ %		
(All financing) (Annual Exp & RR \$ _____ + Annual P & I pymts for all financing \$ _____) / (Gross Annual Inc \$ _____) = _____ %		
Borrower's Return on Appraised Equity (Net Annual Inc \$ _____ - Annual P & I pymts \$ _____) = \$ _____ (1)		
(Appraised Value \$ _____ - Loan Amnt \$ _____) = \$ _____ (2)		
\$ _____ (1) / \$ _____ (2) = _____ %		

Comments or Committee Action _____

Supplemental Addendum

Page #6

Borrower/Clien	Sobeida & Juane Valdera & Bahij Butros	File No
Property Address	273-275 Rand St	
City	Central Falls	County Providence
Lender	New Century Mortgage Corporation	State RI Zip Code 02863

• Supplemental Addendum •Supplemental Addendum
DEVELOPING A CAPITALIZATION RATE

Factors 20 year mortgage
 7.50% interest rate for mortgage
 75% loan to value ratio for mortgage
 10 year investment holding period
 11% reinvestment rate for investor's equity position
 25% equity contribution

Mortgage/ equity without algebra formula

Loan Ratio x Annual Constant	=	
75 x 0970	=	073
Equity Ratio x Equity Yield Rate	=	
25 x 11	=	0275
Subtotal		1005
Loan Ratio x Paid Off Loan Ratio x SFF -	=	
75 x 321 x 060	=	-014
Basic Rate	=	086
- Appreciation x SFF	=	
05 x 056	=	-003
Cap Rate	=	083

Final rate 083

At this point, the net operational income is brought forward from the earlier calculation.
 The capitalization rate, developed above, is divided into this figure. The result then represents the estimate of value through this approach.

Supplemental Addendum

File No.

Borrower/Client	Soberida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St.		
City	Central Falls	County	Providence
		State	Ri
Lender	New Century Mortgage Corporation		
Zip Code 02863			

PURPOSE OF THE ADDENDUM

The purpose of the addendum is to provide additional information which is considered to be relevant in the appraisal of the subject property.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to express an opinion of market value of the fee simple absolute interest in the subject residential property. The market value of the property is defined as if available for sale in the open market on the effective date of this appraisal.

THE FUNCTION OF THE APPRAISAL

The function of the appraisal is reportedly to provide the necessary documentation upon which to secure mortgage financing collateralized in part by the property described in this report. This report is intended only for the use of the client noted, or its designee (as intended user), and may not be relied upon for use by any other party.

THE SCOPE OF THE APPRAISAL

The scope of this appraisal includes a physical inspection of the subject site and improvements, including measuring the improvements and taking sufficient photographs to adequately characterize the property appraised. The appraiser conducted an overview of the current market conditions and trends along with an inspection of the subject neighborhood to assist in the determination of the neighborhood characteristics. Information was gathered from public records, multiple listing service and other reliable sources. Confirmation is included where available. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable was used. Data believed to be unreliable was not included in the report, nor was it used as a basis for the value conclusion.

The appraised value is subject to conditions and explanations contained in this report which set forth the rationale, assumptions and significant facts upon which the appraisal is based.

SUBJECT PROPERTY

Report Format This report constitutes a "Complete Appraisal Summary Report".

Personal Property No items of personal property were included in the final value estimate of the subject property.

Taxes appear typical for properties in area.

NEIGHBORHOOD

The subject neighborhood is comprised primarily of single unit dwellings in average to good condition. The subject improvements are compatible w/the area. The nighborhood is the stable stage of its life cycle. Employment stability appears average and the overall neighborhood appeal is average. Access to highways & major routes is good.

There were no apparent adverse factors noted that would adversely affect marketability or value.

SITE

The highest and best use of the subject property "as vacant" and "as improved" are that of the subject's current use; a 6 unit residential building, w/ 3 garages.

Legal Non Conforming. The lot size does not conform to current zoning regulations; however, by virtue of existence prior to current zoning regulations, the use is considered legal. In the event of loss by fire or other natural causes, the current improvements could be rebuilt without obtaining a zoning variance.

Hazardous Substances: The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. This appraiser is not an expert in the identification of such substances or their potential impact. The appraiser's routine inspection of, and inquiries about, the subject property did not

Supplemental Addendum

File No.

Borrower/Clien	Sobeida & Juane Valdera & Bahjy Butros			
Property Address	273-275 Rand St			
City	Central Falls	County	Providence	State RI
Lender	New Century Mortgage Corporation	Zip Code 02863		

develop any information that indicate any apparent hazardous substances or detrimental environmental conditions which would affect the property negatively.

Dimensions. Dimensions are per town maps and deed.

SUBJECT IMPROVEMENTS CONTINUED

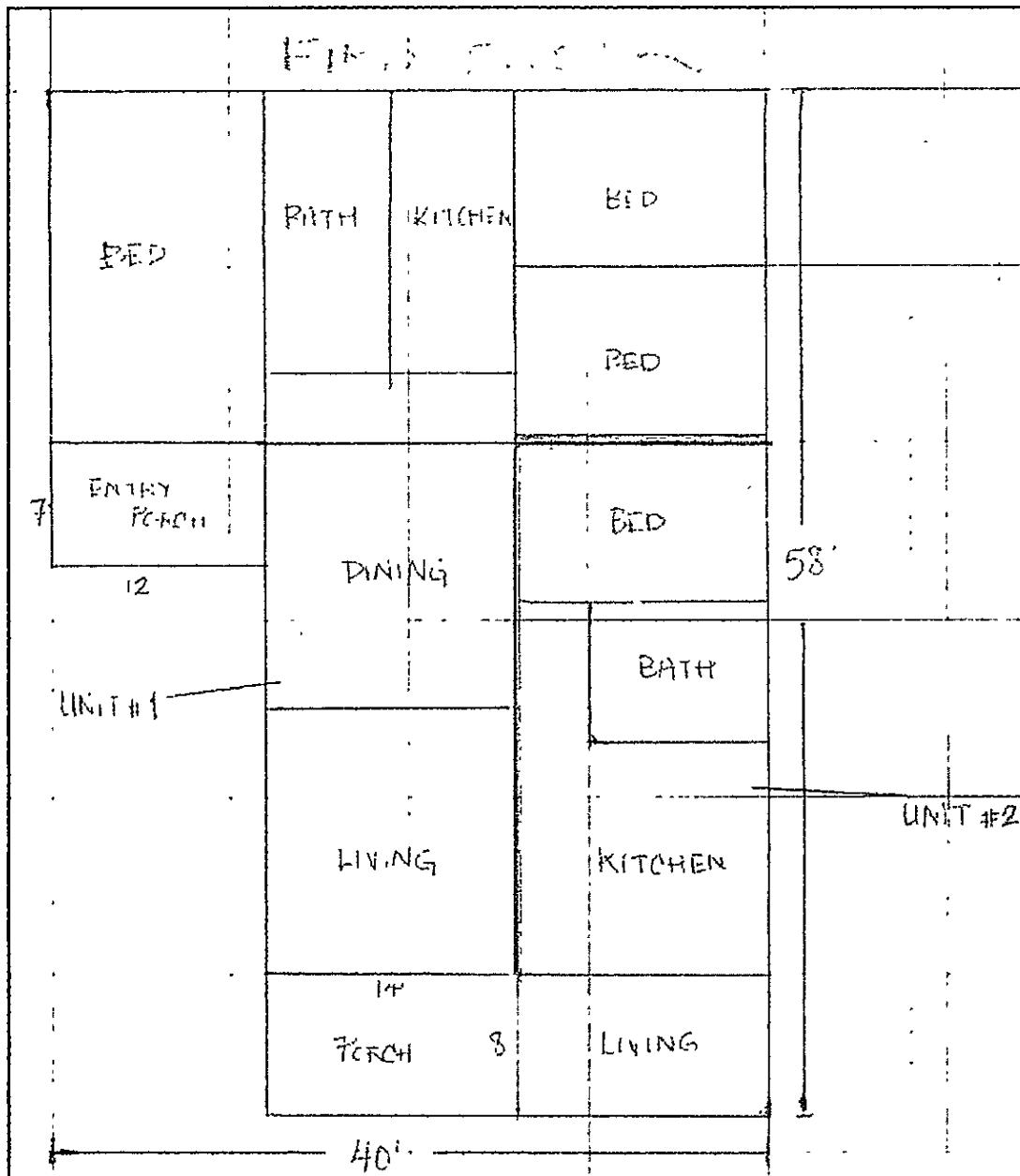
The heating (and/or cooling) system is assumed to be in average working condition. Nothing was viewed at the inspection to the contrary yet the Appraiser is not a heating/cooling contractor or specialist and is not competent to render an opinion as to the degree of efficiency or to classify the unit as poor, fair, average or good condition. Should the lender be concerned about this issue, a professional should be consulted. There is no fuel storage tank on site.

COST APPROACH

Land Value The subject land value was derived through a compilation and correlation of data from the subject community and/or market area. This data includes various info that can obtained from comparable closed sales, current listings, extractions, and through the delineation method.

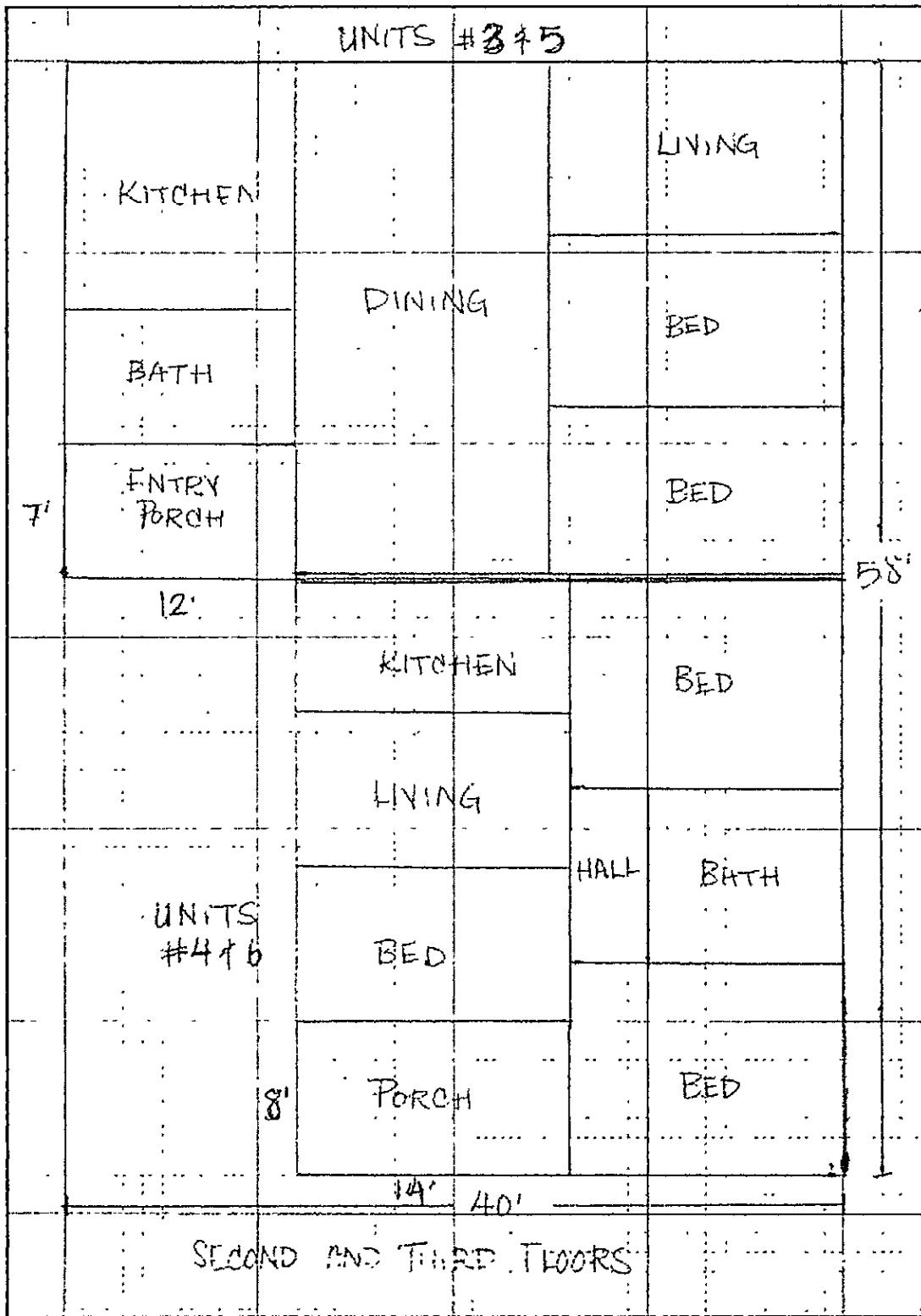
Building Sketch

Borrower/Clien	Sobeida & Juane Valdera & Bahjy Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender	New Century Mortgage Corporation	State	RI
			Zip Code 02863



Building Sketch

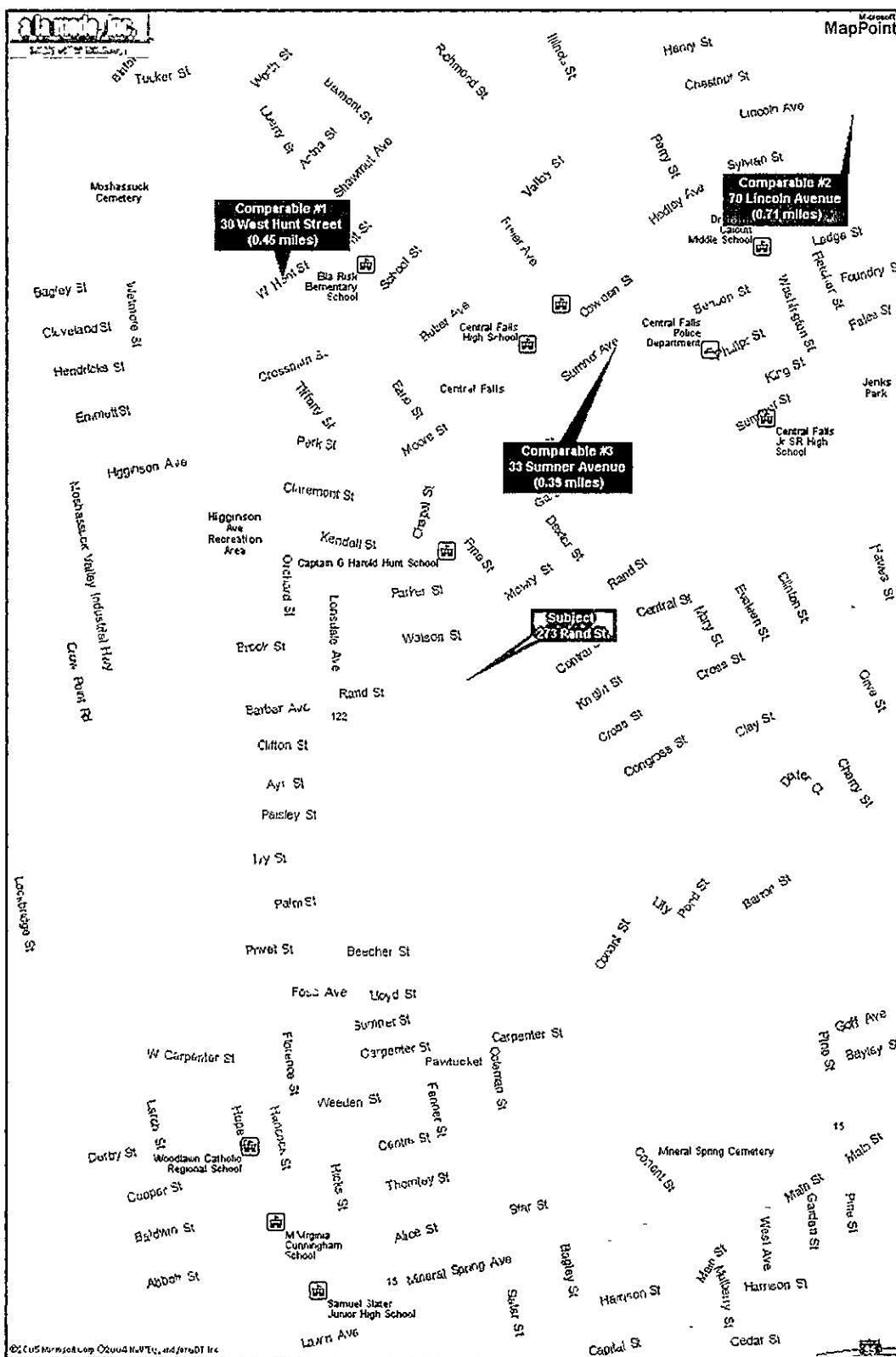
Borrower/Clien	Sobeda & Juane Valdera & Bahy Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
		State	RI
Lender	New Century Mortgage Corporation	Zip Code	02863



Location Map

Borrower/Clien Sobe da & Juane Valdera & Bahij Butros
Property Address 273-275 Rand St
City Central Falls County Providence State RI Zip Code 02863
Lender New Century Mortgage Corporation

Comparable sales map



Location Map

Borrower/Client: Soleda & Juane Valderrama & Bahil Butros

Schroeder Client Susanna & Susanne
Property Address 273-275 Rand St

Property Address 273
City Central Falls

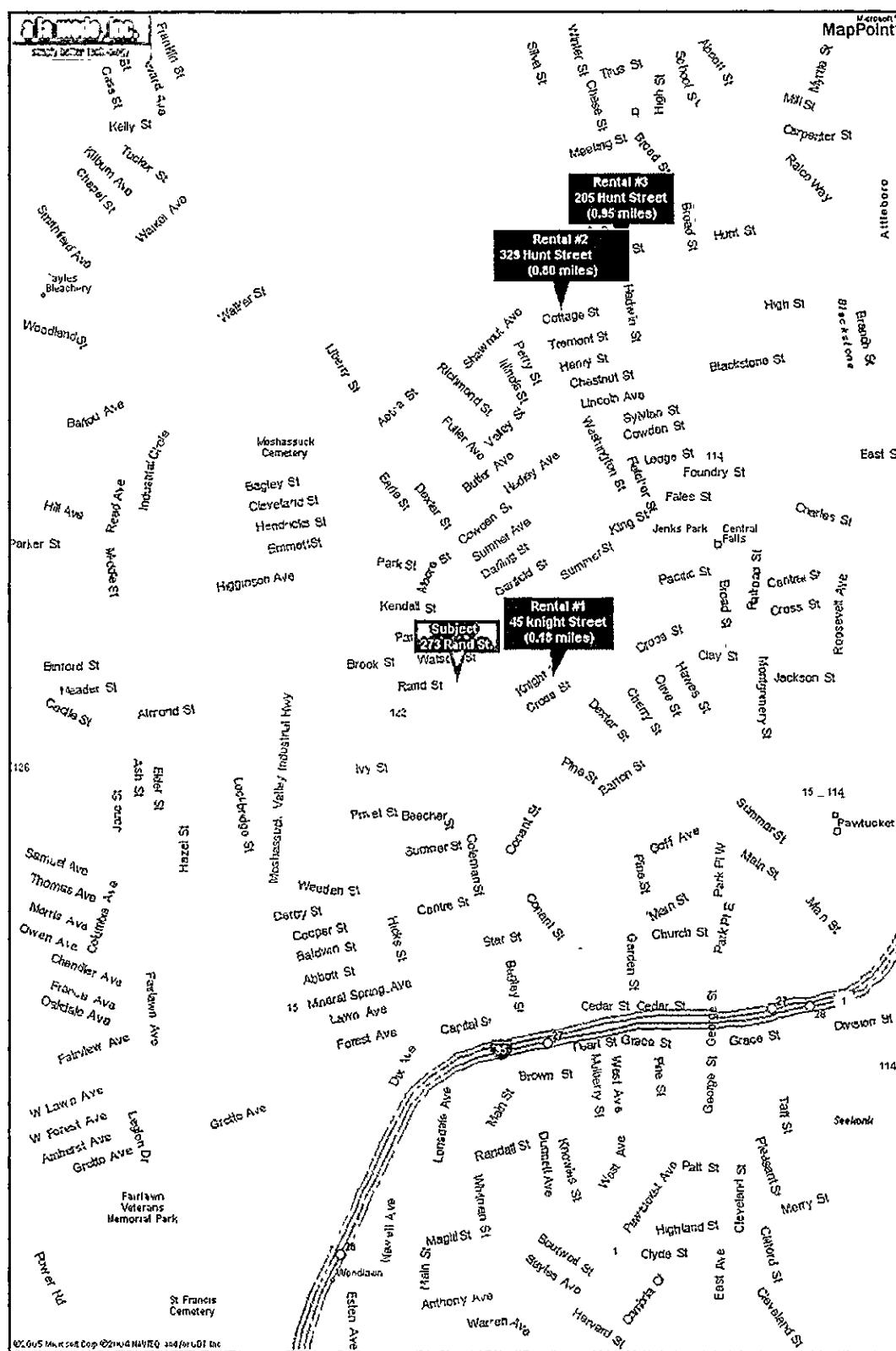
County Providence

State: RI

Zip Code 02863

Lender: New Century Mortgage Corporation

Comparable rentals map



DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby (1) buyer and seller are typically motivated, (2) both parties are well informed or well advised and each acting in what he considers his own best interest, (3) a reasonable time is allowed for exposure in the open market, (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area, these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and therefore will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees express or implied regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances etc.) that would make the property more or less valuable and has assumed that there are no such conditions and makes no guarantees or warranties express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, mortgagee or its successors and assigns, the mortgage insurer, consultants, professional appraisal organizations, any state or federally approved financial institution or any department, agency, or instrumentality of the United States or any state or the District of Columbia, except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales or other media.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that

- 1 I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and if a significant item in a comparable property is inferior to or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
- 2 I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
- 3 I stated in the appraisal report only my own personal unbiased and professional analysis opinions, and conclusions which are subject only to the contingent and limiting conditions specified in this form.
- 4 I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
- 5 I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
- 6 I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party. The amount of the value estimate is the attainment of a specific result or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation or the need to approve a specific mortgage loan.
- 7 I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal with the exception of the departure provision of those Standards which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report unless I have otherwise stated in the reconciliation section.
- 8 I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
- 9 I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report he or she certifies and agrees that I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 9 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 273-275 Rand St., Central Falls, RI 02863

APPRAISER:

Signature James A. Houle
 Name James A. Houle, Houle & Associates
 Date Signed 11 May 2005
 State Certification # A00769G
 or State License #
 State Rhode Island
 Expiration Date of Certification or License 5/4/2006

SUPERVISORY APPRAISER (only if required):

Signature
 Name
 Date Signed
 State Certification #
 or State License #
 State
 Expiration Date of Certification or License

Did Did Not Inspect Property

Appraiser's Certification

Borrower/Client	Sopeida & Juane Valdera & Bahij Butros
Property Address	273-275 Rand St
City	Central Falls
County	Providence
State	RI
Zip Code	02863
Lender	New Century Mortgage Corporation



State of Rhode Island and Providence Plantations

Department of Business Regulation

Division of Licensing and Consumer Protection

Real Estate Appraisers Section

233 Richmond St., Suite 230
Providence, R.I. 02903-4230

Certified General Appraiser

Certification No A00769C

This certification Expires on 05/04/2005

*In accordance with Title V, Chapter 20-7 of the General Laws of Rhode Island relative to Real Estate Appraisers
Pursuant to vested authority and having received full payment of the required fee, the Director of the Department of Business
Regulation has heaviest-verified*

JAMES A. HOUTE

*The person named herein may engage in the business of appraisal practice, provided he shall in all respects conform to the
provisions of Title V, Chapter 20-7 of the General Laws of Rhode Island 1987, as amended, and the rules and regulations issued
under authority thereof, beginning 5/5/2004 and ending 5/4/2006 unless this license is
suspended, revoked or voluntarily returned to the Department during this period.*

D. A. Houte
James A. Houte, C.A.P.
Certified Appraiser
Rhode Island Real Estate Appraisers Board

Thomas J. Houtz
Thomas J. Houtz
Director of Business Regulation

E & O

Borrower/Client	Sobeida & Juane Valdera & Bahi Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
		State	RI
Lender	New Century Mortgage Corporation		
	Zip Code 02863		



*1438-F West Main Street
Ephrata, PA 17522-1345*
*Phone 717.721-3500
Fax 717.721-3515*

August 25, 2004

Jim Houle
Houle & Associates
Fax #: 401-846-1818
No. of Pages: 1

Re: Errors & Omissions for Rea. Estate Appraisers

This note is to confirm that our file shows Houle & Associates has Real Estate Appraisers Errors or Omissions Insurance.

Insurance Company: Lexington Insurance Company
 Certificate #: 01253
 Certificate Policy: 02/09/04-02/09/05
 Limit of Liability: \$500,000 each claim
 \$500,000 aggregate

Thanks,

Kate Ginder

Supplemental Addendum

[Page #20]

File No.

Borrower/Client	Sobeida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender	New Century Mortgage Corporation		
State RI Zip Code 02863			

JAMES HOULE & ASSOCIATES
198 Union Street
Portsmouth, Rhode Island 02871

Voice 401- 846- 5225
Facsimile 401- 846- 1818
.....

QUALIFICATIONS OF APPRAISER, JAMES A HOULE**LICENSING**

Rhode Island Appraisal Certification #A00769 G
Rhode Island Real Estate Broker #B09805

BUSINESS EXPERIENCE

James Houle & Associates, Portsmouth, RI	1981- Present
Real Estate Appraisal, Consulting & Brokerage Services	
Deputy Tax Assessor, City of Newport, RI	1990- 1998
Appraisal and Mass Assessment Services	
Gold Star Group, Middletown, RI	1988-1989
Real Estate Education and Franchise Development	
Atlantic Properties, Middletown, RI	1985-1988
Principal Broker	
L H Houle Realty, Stafford Springs, Conn	1975-1983
Consulting Broker	
Better Homes Realty, Middletown RI	1978-1981
Principal Broker	
Heritage Realty, Newport, RI	1975-1978
Associate Broker	
Kennan Associates, Cumberland, RI	1973-1975
Associate Broker	

PROFESSIONAL QUALIFICATIONS AND RELATED BOARDS**ACTIVE**

Licensed Real Estate Broker, Rhode Island

Licensed Auctioneer, Rhode Island (Approved for Real Estate Sales)

Certified Real Estate Appraiser, Rhode Island

Approved by State of Rhode Island, Office of Municipal Affairs, to perform city- wide mass appraisals and revaluations, as required by Rhode Island law

Board of Realtors, (Officer of Newport County Board, 1975)

RELATED EDUCATION

BA degree from Clark University Worcester Massachusetts, 1973

Society of Real Estate Appraisers, course #101 Introduction to Appraisal
Society of Real Estate Appraisers, course #102 Small Income Property Appraisal

R I Tax Assessor's Administrative Course

Graduate Realtor Institute, Board of Realtors

Uniform Standards of Professional Practice University of Rhode Island

Income Approach to Property Valuation, University of Rhode Island

Practical Application of Income Approach to Value, University of Rhode Island

Seminars

Impact of Environmental Issues in Appraisals, RI Board of Realtors

Rhode Island Tax Law, NLI Institute

Performing an In House Revaluation, International Order of Assessing Officers

Lead Issues in Real Estate, RI Board of Realtors

Tax Issues in Real Estate, RI Board of Realtors

Appraiser as Expert Witness, RI Board of Realtors

Seminars as Approved Instructor

Real Estate Tax Assessment How to Judge its Equity

Real Estate Financing Conventional and Creative

APPRAISAL EXPERIENCE

Active since 1976, performing appraisals of single and multi family housing and commercial/ industrial properties

Experience in appraising impacted/ contaminated properties

Experience in appraising specialty/ partial interests

Experience in appraising water related utilities

Accepted as expert in Rhode Island Family Court

Accepted as expert in Rhode Island Superior Court

Accepted as expert in Rhode Island Bankruptcy Court

Supplemental Addendum

Page //21

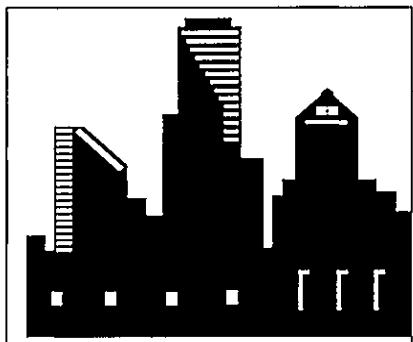
Borrower/Clien	Sobeida & Juane Valdera & Bahij Butros	File No
Property Address	273-275 Rand St	
City	Central Falls	County Providence
Lender	New Century Mortgage Corporation	State RI Zip Code 02863

Accepted as expert before several Rhode Island community Boards of Tax Appeals
 Accepted as expert before several Rhode Island Zoning Boards of Appeal

LENDING INSTITUTIONS REPRESENTED

Residential Mortgage Company, Providence, RI
 Boston Five Cent Savings Bank Providence, RI
 Plymouth Mortgage Company, Middletown, RI
 Commonwealth Mortgage Company Middletown RI
 Fleet Mortgage Company, Providence, RI
 People's Credit Union, Middletown, RI
 Citizen's Savings Bank, Riverside, RI
 Navy Federal Credit Union, Middletown, RI
 Pier Bank, Narragansett, RI
 Loans for Homes East Greenwich RI
 Colonial Mortgage Company East Providence, RI
 Rhode Island Mortgage Store, Cranston, RI
 New England Funding, North Providence, RI
 Milestone Mortgage Company, Cranston, RI
 Business Lenders, Providence, RI
 Howes Funding, Cranston, RI
 Commercial Loan Inventors, Cranston, RI
 Greentree Mortgage Company, Atlanta, GA

Other significant clients
 Ford Motor Company
 NYNEX (Bell Atlantic)
 Stone Bridge Water District, Tiverton, RI
 Newport, RI Public Utilities Department
 Church Community Housing Corporation, Newport, RI



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CORAL GABLES, FLORIDA 33134
VOICE (305)665-2450
FAX (305)665-3850

SITE INSPECTION

Rand Street Apartments

273-275 Rand Street

Central Falls, RI 02863

New Century Mortgage Corp.

July 2005

THE AREIS GROUP
Your Commercial Property Inspection Resource Tool

COMMERCIAL PROPERTY SITE INSPECTION (SHORT FORM)

Prepared By/Date.

TYRONE DAVIS 07/26/2005

Reviewed By/Date.

PAUL JONES 07/26/2005

A. PROPERTY CHARACTERISTICS

Property Name:

RAND STREET

Property Address:

273-275 RAND STREET

Property City, ST, Zip:

CENTRAL FALLS RI 02863

Property Type

Office _____
Warehouse _____
Other XRetail _____
Self-Storage _____Industrial _____
Mixed Use _____R&D _____
Land _____

Nearest Major City to the Subject:

PROVIDENCE RI

Distance & Direction of Major City from Subject:

1 MILE NORTH

Occupancy.

 YES

Occupancy Date:

06/01/2005

Occupancy Source:

Physical inspection

B. LOCATION

Rating:

Best

Worst

1 1 5 2 2 5 3 3 5 4 4 5 5

(Within Region)

Comments:

--

C. NEIGHBORHOOD

Rating:

Best

Worst

1 1 5 2 2 5 3 3 5 4 4 5 5

(Within Market)

Area Type:

Urban

Suburban _____

Small town _____

Rural _____

Neighborhood Built-up Stratification
(% single family, % multi family, % commercial,
% vacant etc.)

10% SINGLE, 60% MULTI, 20% COMMERCIAL/INDUSTRIAL, 10% VACANT.

Growth Trend & Comments:

MARKET GROWTH TREND HAS BEEN STEADY. MARKET IS OVER VALUED AND
SUBJECT TO CHANGE

D. SUBJECT DESCRIPTION

General Property Description:

SUBJECT IS A THREE -LEVEL, SIX-FAMILY STRUCTURE IN AVERAGE CONDITION.
WITH FOUR CAR GARAGE LOT SIZE 7070

Comments:

SUBJECT APPEARS TO BE IN AVERAGE CONDITION TWO TONE PAINTED WOOD SHINGLE EXTERIOR, OLDER WINDOWS, FLAT ROOF, NEW HEATING SYSTEMS, NEW HOT WATER TANKS, GAS BASEBOARD HOT WATER HEAT, GROSS LIVING AREA IS 5256 SQ FT WHICH CONSISTS OF SIX UNITS THREE, FIVE-ROOM UNITS, TWO FOUR ROOM-UNITS, AND ONE, THREE-ROOM UNIT

E. IMPROVEMENTS

Rating: Best

Worst

1	15	2	2.5	3	3.5	4	4.5	5	(Within Market)
---	-----------	---	-----	---	-----	---	-----	---	-----------------

Deferred Maintenance:

Item	Estimated Cost to Cure	Estimated Time Frame to Cure
NEW WINDOWS	\$12,000 00	
FRESH PAINT	\$15,000 00	

Comments.

RATED SUBJECT AS IN AVERAGE CONDITION WITH INTERIOR AND EXTERIOR PAINT AND NEW WINDOWS THE RATING WOULD CHANGE TO GOOD CONDITION

F. EXTERIOR / INTERIOR

Rating: Best

Worst

1	15	2	2.5	3	3.5	4	4.5	5	(Within Market)
---	----	---	-----	---	------------	---	-----	---	-----------------

Overall Exterior Condition:

Excellent _____

Good _____

Average _____

X

Fair _____

Poor _____

Overall Interior Condition:

Excellent _____

Good **X** _____

Average _____

Fair _____

Poor _____

Comments:

INTERIOR IS IN GOOD CONDITION, EXTERIOR COULD USE FRESH PAINT AND NEWER WINDOWS OVERALL SUBJECT IS SOLID UNITS WERE RENOVATED WITHIN THE LAST YEAR

G. OVERALL COMPETITIVENESS

Rating: Best

Worst

1	15	2	2.5	3	3.5	4	4.5	5	(Within Market)
---	----	---	-----	----------	-----	---	-----	---	-----------------

Comments:

SUBJECT COMPARES WELL TO OTHER COMMERCIAL REAL ESTATE IN AREA

H. MARKET OVERVIEW

Market Occupancy (%):

75%

Occupancy by Sub-Type (%):

25%

Market Rental Rates and Price Stability
(increase/decrease/stable)

MARKET RENTAL RATES ON AN AVERAGE IS ABOUT \$900.00 PER UNIT RENTAL PRICE IS STABLE

General Comments Regarding the Property.

SUBJECT HAS LOTS OF POTENTIAL FOR BEING A GOOD INVESTMENT PROPERTY. SIX UNITS IN GOOD CONDITION WITH LOTS OF UPDATES AND FOUR CAR GARAGE IN BACK. PROPERTY HAS LOTS OF SPACE AND SITS ON A LARGE 7070 SQ FT LOT LOCATED LESS THAN TWO MINUTES AWAY FROM HIGHWAY

BROKER/INVESTOR INTERVIEW

Asset Name	RAND STREET APARTMENTS	Control #:	LEHM#####
Address:	273-275 RAND STREET	SF/Units:	
Interviewer:	TYRONE DAVIS		

Interview I

Market Contact: JAMES KUHN Phone 617-469-3360
 Firm: MASS REALTY ADVISORS

1. Market Rent Estimate (per SF or Unit).	APPROXIMENTLY \$900 PER UNIT
2. Market TI's (if applicable):	N/A
3. Market Expenses (per SF or Unit)	\$250 PER UNIT
4. Market Occupancy Rate	75%
5. Market Lease Term.	1 YEAR
6. Market Cap Rate	10.5
7. Value Estimate (per SF or Unit):	\$64,000.00 PER UNIT
8. Recent Sale Comp Detail (if available)	N/A
9. Additional Comments:	TOTAL ESTIMATE OF SUBJECT IS \$384,000 00

Interview II

Market Contact: RITA MARAQUIN Phone 617-469-3360
 Firm: MASS REALTY ADVISORS

1. Market Rent Estimate (per SF or Unit)	\$800 00 PER UNIT
2. Market TI's (if applicable):	N/A
3. Market Expenses (per SF or Unit)	\$300 PER UNIT
4. Market Occupancy Rate:	80%
5. Market Lease Term	1 YEAR
6. Market Cap Rate:	12 5
7. Value Estimate (per SF or Unit)	\$62,500 00 PER UNIT
8. Recent Sale Comp Detail (if available):	N/A
9. Additional Comments.	BROKER PRICE OPINION \$375,000.00

BROKER/INVESTOR INTERVIEW

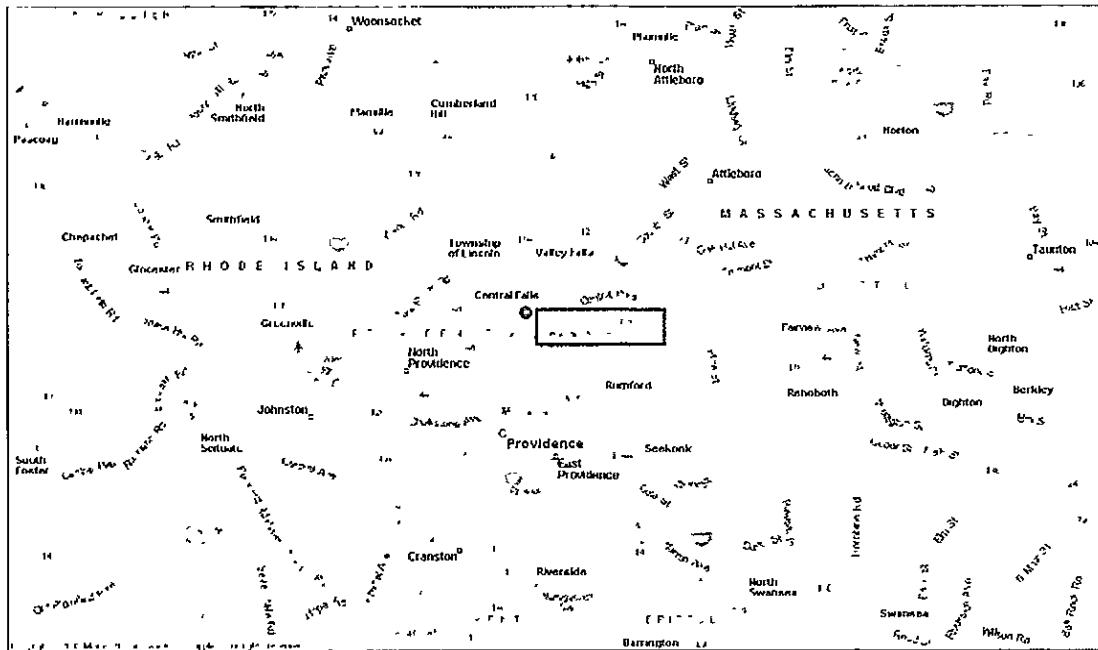
Asset Name:	RAND STREET APARTMENTS	Control #:	LEHM#####
Address:	273-275 RAND STREET	SF/Units:	
Interviewer:	TYRONE DAVIS		

Interview III

Market Contact. HELENE LAGENDRE Phone: 617-469-3360
 Firm MASS REALTY ADVISORS

1 Market Rent Estimate (per SF or Unit):	\$850.00 PER UNIT
2. Market TI's (if applicable):	N/A
3 Market Expenses (per SF or Unit):	\$400.00 PER UNIT
4. Market Occupancy Rate:	90%
5 Market Lease Term:	1 YEAR
6 Market Cap Rate	10.9
7 Value Estimate (per SF or Unit)	\$65,000.00 PER UNIT
8. Recent Sale Comp Detail (if available):	N/A
9 Additional Comments.	TOTAL VALUE \$390,000.00

**Rand Street Apartments
273-275 Rand Street
Central Falls, RI 02863**



Location Map

Borrower/Client Sobeida & Juane Valdera & Bahia Butros

Property Address 273-275 Rand St

Property Address 275-275 Rand St
City Central Falls

Lender: New Century Mortgage Corporation

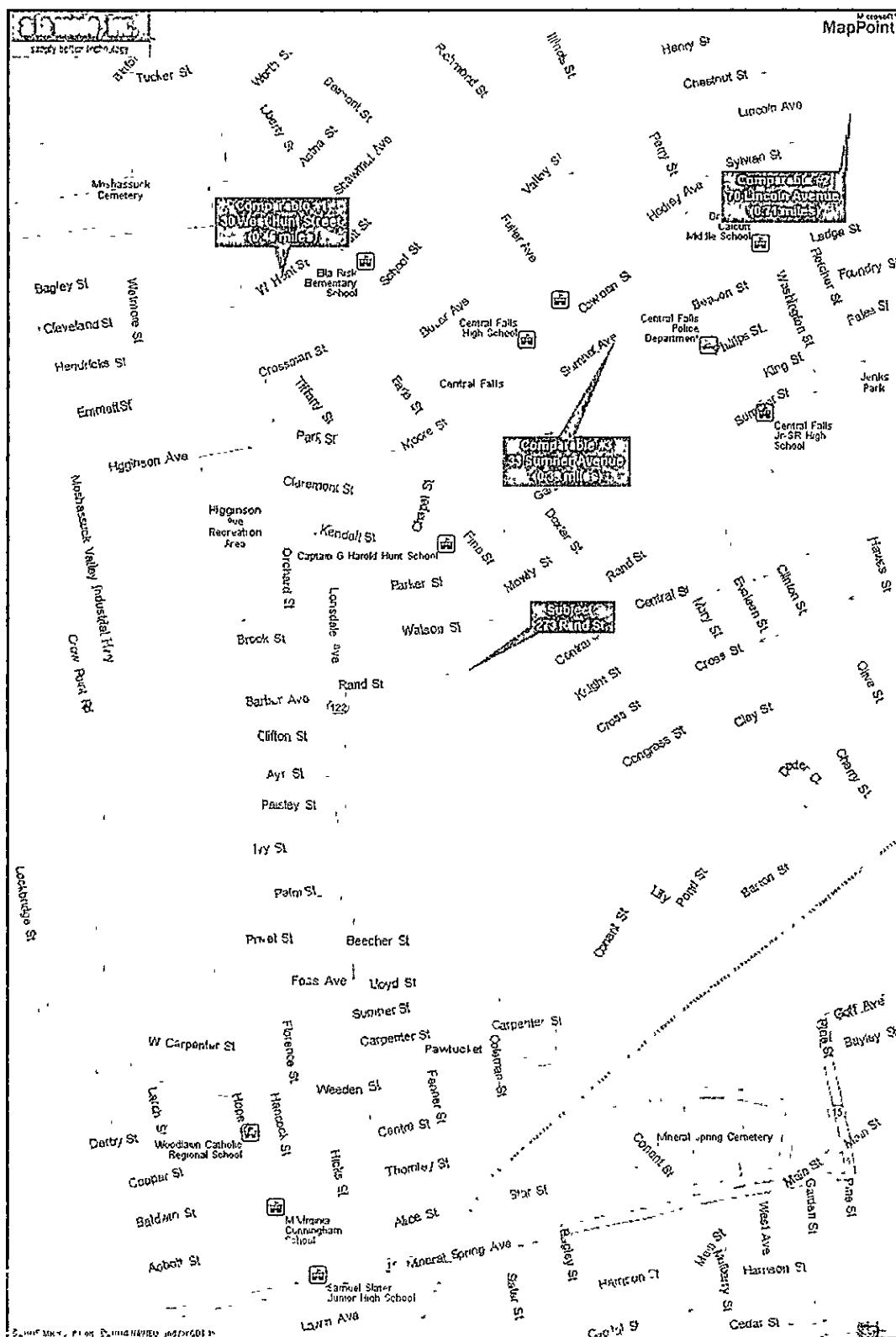
County Providence

State RI

Zip Code 02863

Lender: New Century Mortgage Corporation

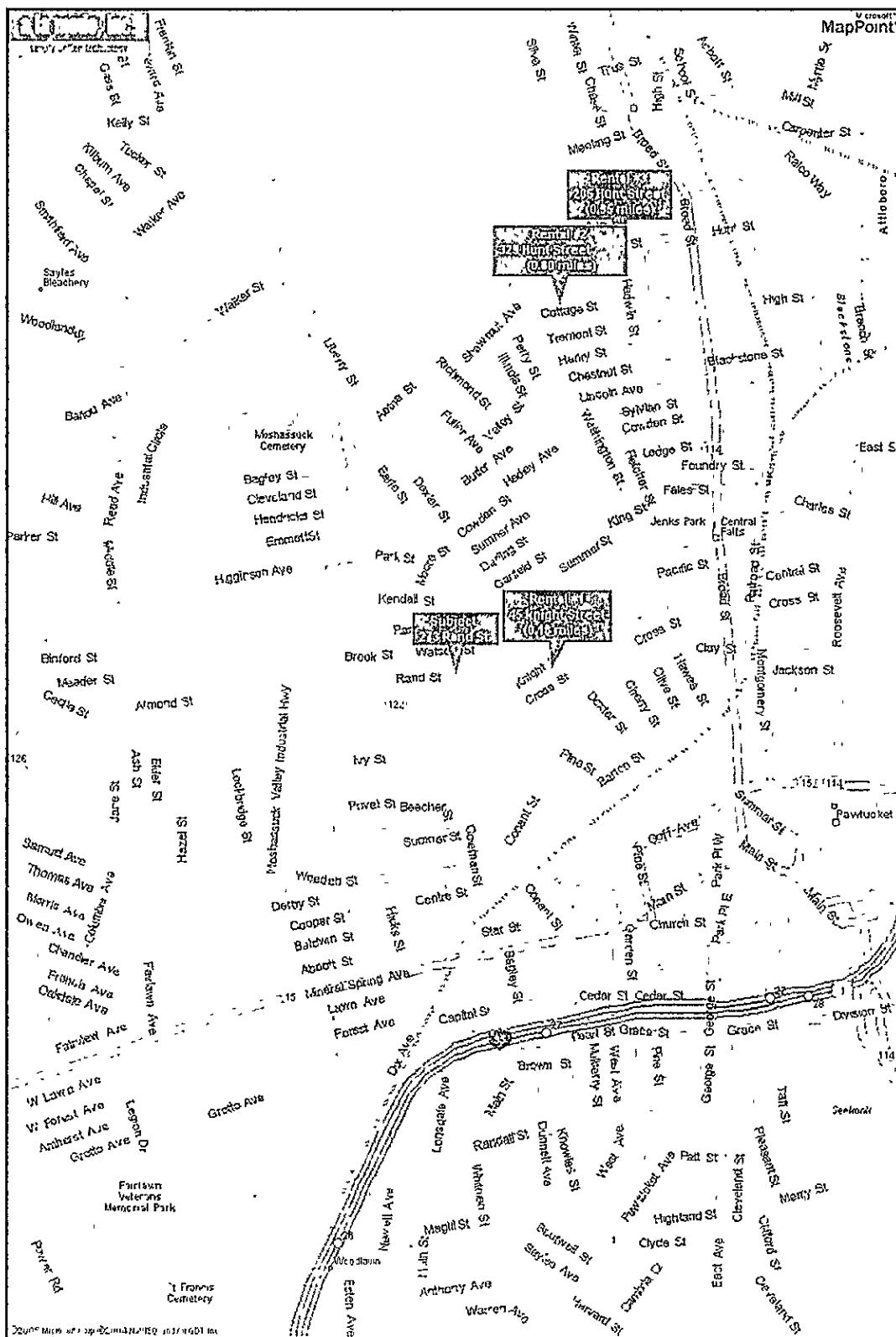
Comparable sales map



Location Map

Borrower/Clien_ Sobeida & Juane Valdera & Bahi Butros	Property Address_ 273-275 Rand St	City_ Central Falls	County_ Providence	State_ RI	Zip Code_ 02863
Lender_ New Century Mortgage Corporation					

Comparable rentals map



Location Map

Borrower/Clien Sobeida & Juane Valderr & Bahi Butros

Property Address 273-275 Rand St

City Central Falls

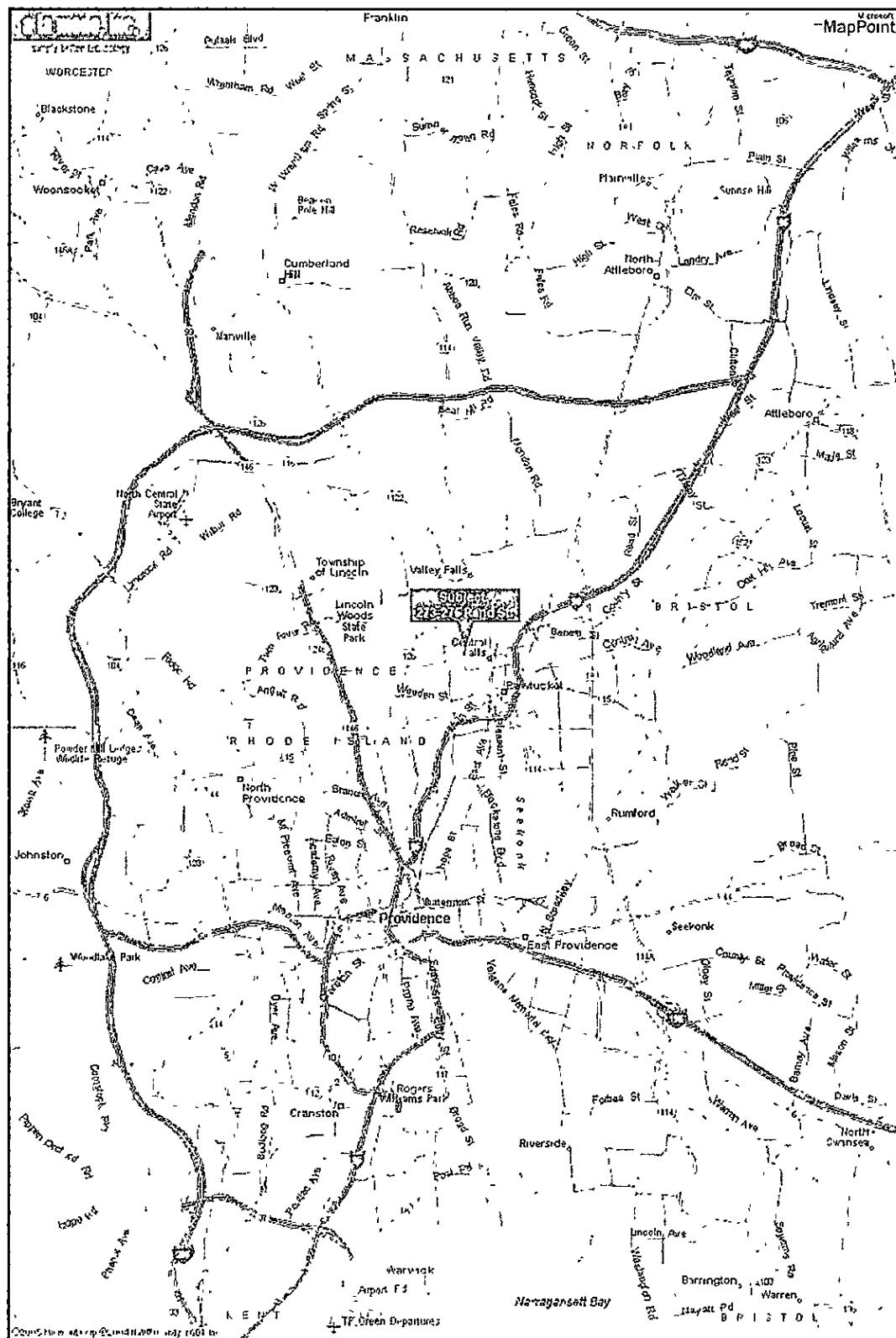
County Providence

State RI

Zip Code 02863

Lender: New Century Mortgage Corporation

Regional Map



DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area, these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions

- 1 The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- 2 The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
- 3 The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- 4 The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question unless specific arrangements to do so have been made beforehand.
- 5 The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
- 6 The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- 7 The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- 8 The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
- 9 The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
- 10 The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagor or its successors and assigns, the mortgage insurer, consultants, professional appraisal organizations, any state or federally approved financial institution, or any department, agency, or instrumentality of the United States or any state or the District of Columbia, except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that

1 I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.

2 I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.

3 I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.

4 I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

5 I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.

6 I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.

7 I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

8 I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

9 I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks I have not authorized anyone to make a change to any item in the report, therefore if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 273-275 Rand St. Central Falls RI 02863

APPRAISER:

Signature James A. Houle
 Name James A. Houle, Houle & Associates
 Date Signed 11 May 2005
 State Certification # A00769G
 or State License #
 State Rhode Island
 Expiration Date of Certification or License 5/4/2006

SUPERVISORY APPRAISER (only if required):

Signature _____
 Name _____
 Date Signed _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

Did Did Not Inspect Property

Appraiser's Certification

Borrower/Clien ^t	Sobeida & Juane Valderr & Bahi Butros	Property Address	273-275 Rand St	County	Providence	State	RI	Zip Code	02863
City	Central Falls								
Lender	New Century Mortgage Corporation								



State of Rhode Island and Providence Plantations

Department of Business Regulation

Division of Licensing and Consumer Protection

Real Estate Appraisers Section
233 Richmond St., Suite 230
Providence, R.I. 02803-4231

Certified General Appraiser

Certification No. A00769G

This certification Expires on 05/04/2006

In accordance with Title V, Chapter 20-7 of the General Laws of Rhode Island relating to Real Estate Appraisers!

*Pursuant to vested authority and having received full payment of the required fee, the Director of the Department of Business
Regulation has licensed/certified*

JAMES A. ROUL

*The person named herein may engage in the business of appraisal practice, provided he shall in all respects conform to the
provisions of Title V, Chapter 20-7 of the General Laws of Rhode Island 1987, as amended, and the rules and regulations issued
under authority thereof, beginning 5/5/2004, and ending 5/4/2006, unless this license is
suspended, revoked or voluntarily returned to the Department during this period.*

James A. Roul
 Chairman, Real Estate Appraisers Board
 Director of Business Regulation

E & O

Borrower/Clien	Sobeida & Juane Valdera & Bahij Bulros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
		State	RI
Lender	New Century Mortgage Corporation	Zip Code	02863



1438-F West Main Street
Ephrata, PA 17522-1345

Phone 717.721-3500
Fax 717.721-3515

August 25, 2004

Jim Houle
Houle & Associates
Fax #: 401-846-1818
No. of Pages: 1

Re: Errors & Omissions for Real Estate Appraisers

This note is to confirm that our file shows Houle & Associates has Real Estate Appraisers Errors or Omissions Insurance.

Insurance Company: Lexington Insurance Company
 Certificate #: 01253
 Certificate Policy: 02/09/04-02/09/05
 Limit of Liability: \$500,000 each claim
 \$500,000 aggregate

Thanks,

Kate Ginder

Supplemental Addendum

Page #23

Borrower/Clien	Sobeida & Juane Valdera & Baby Butros	File No			
Property Address	273-275 Rand St				
City	Central Falls	County	Providence	State	RI
Lender	New Century Mortgage Corporation	Zip Code	02863		

JAMES HOULE & ASSOCIATES
198 Union Street
Portsmouth, Rhode Island 02871

Voice 401- 846- 5225
Facsimile 401- 846- 1818

QUALIFICATIONS OF APPRAISER, JAMES A. HOULE**LICENSING**

Rhode Island Appraisal Certification #A00769 G
Rhode Island Real Estate Broker #B09805

BUSINESS EXPERIENCE

James Houle & Associates, Portsmouth, RI Real Estate Appraisal, Consulting & Brokerage Services	1981- Present
Deputy Tax Assessor, City of Newport, RI Appraisal and Mass Assessment Services	1990- 1998
Gold Star Group, Middletown, RI Real Estate Education and Franchise Development	1988-1989
Atlantic Properties, Middletown, RI Principal Broker	1985-1988
L H Houle Realty, Stafford Springs, Conn. Consulting Broker	1975-1983
Better Homes Realty, Middletown, RI Principal Broker	1978-1981
Heritage Realty, Newport, RI Associate Broker	1975-1978
Kennan Associates, Cumberland, RI Associate Broker	1973-1975

PROFESSIONAL QUALIFICATIONS AND RELATED BOARDS**ACTIVE**

Licensed Real Estate Broker, Rhode Island
Licensed Auctioneer, Rhode Island (Approved for Real Estate Sales)
Certified Real Estate Appraiser, Rhode Island
Approved by State of Rhode Island, Office of Municipal Affairs, to perform city- wide mass appraisals and revaluations, as required by Rhode Island law
Board of Realtors, (Officer of Newport County Board, 1975)

RELATED EDUCATION

BA degree from Clark University, Worcester, Massachusetts, 1973

Society of Real Estate Appraisers, course #101 Introduction to Appraisal
Society of Real Estate Appraisers, course #102 Small Income Property Appraisal
R I Tax Assessor's Administrative Course
Graduate Realtor Institute, Board of Realtors
Uniform Standards of Professional Practice, University of Rhode Island
Income Approach to Property Valuation, University of Rhode Island
Practical Application of Income Approach to Value, University of Rhode Island
Seminars
Impact of Environmental Issues in Appraisals, RI Board of Realtors
Rhode Island Tax Law, NLI Institute
Performing an In House Revaluation, International Order of Assessing Officers
Lead Issues in Real Estate, RI Board of Realtors
Tax Issues in Real Estate, RI Board of Realtors
Appraiser as Expert Witness, RI Board of Realtors

Seminars as Approved Instructor,
Real Estate Tax Assessment How to Judge its Equity
Real Estate Financing Conventional and Creative

APPRAISAL EXPERIENCE

Active since 1976, performing appraisals of single and multi family housing and commercial/ industrial properties
Experience in appraising impacted/ contaminated properties
Experience in appraising specialty/ partial interests
Experience in appraising water related utilities
Accepted as expert in Rhode Island Family Court
Accepted as expert in Rhode Island Superior Court
Accepted as expert in Rhode Island Bankruptcy Court

Supplemental Addendum

Borrower/Clien	Soberida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St		
City, Central Falls,	County, Providence	State, RI	Zip Code, 02863
Lender, New Century Mortgage Corporation			

Accepted as expert before several Rhode Island community Boards of Tax Appeals
 Accepted as expert before several Rhode Island Zoning Boards of Appeal

LENDING INSTITUTIONS REPRESENTED

Residential Mortgage Company, Providence, RI
 Boston Five Cent Savings Bank, Providence, RI
 Plymouth Mortgage Company, Middletown, RI
 Commonwealth Mortgage Company, Middletown, RI
 Fleet Mortgage Company, Providence, RI
 People's Credit Union, Middletown, RI
 Citizen's Savings Bank, Riverside, RI
 Navy Federal Credit Union, Middletown, RI
 Pier Bank, Narragansett, RI
 Loans for Homes, East Greenwich, RI
 Colonial Mortgage Company, East Providence, RI
 Rhode Island Mortgage Store, Cranston, RI
 New England Funding, North Providence, RI
 Milestone Mortgage Company, Cranston, RI
 Business Lenders, Providence, RI
 Howes Funding, Cranston, RI
 Commercial Loan Investors, Cranston, RI
 Greentree Mortgage Company, Atlanta, GA

Other significant clients
 Ford Motor Company
 NYNEX (Bell Atlantic)
 Stone Bridge Water District, Tiverton, RI
 Newport, RI Public Utilities Department
 Church Community Housing Corporation, Newport, RI

Supplemental Addendum

File No

Borrower/Clien	<u>Sobeida & Juane Valdera & Bahj Butros</u>	Property Address	<u>273-275 Rand St</u>	County	<u>Providence</u>	State	<u>RI</u>	Zip Code	<u>02863</u>
City	<u>Central Falls</u>								
Lender	<u>New Century Mortgage Corporation</u>								

Addendum to report

Client has requested clarification of several items

1) Reconcile NRA figures-

This has been done in report

2) Explanation of why apt #1 appears to be vacant in photos

Response This appraiser asked seller when inspection was being done about this same issue. The seller made strong assertions that the unit was occupied, although the tenancy had begun very recently and the tenant worked long hours, minimizing use of the living space.

There were sufficient personal effects in the unit to give credence to the statements that the unit was rented.

3) Appraiser to inspect all units

Appraiser did inspect all units. Photos from one unit were not included, as tenant did not want pictures taken- seller agreed with tenant and asked appraiser not to photograph unit. The condition was the same as the other units.

4) Adjustment grid

Response now added into report

5) correct actual and forecasted rental income

Response Appraiser believes this was correctly stated in report

6) Commercial/ industrial uses in area

In general, this is a residential neighborhood. However, like all older cities, there is a scattering of commercial/ industrial uses mixed in with the residential. This has no impact to the income stream, the appeal to the residential uses, or the value estimated in this report.

Specifically, there is a series of 3 mill buildings across the street from the subject, set slightly to the south of the subject. Directly across the street is a large parking lot, now primarily used for storage of trucks. The mill buildings are only lightly used, with most of the space minimally occupied. During the inspection of the property, no noise, traffic, smoke or other disturbance was noted. It does not appear that the buildings are actively used.

This appraiser strongly feels this does not impact the subject property in any way.

7) Photos of rental comps

Response These have been added

8) regional map

Response map added into report

Signature _____ Name <u>James A. Houle, Houle & Associates</u> Date Signed <u>11 May 2005</u> State <u>RHODE ISLAND</u> Or State License # <u></u>	Signature _____ Name _____ Date Signed _____ Or State License # _____ State _____
--	---

James Houle & Associates (401)846-5225

Form TADD2 --- "TOTAL for Windows" appraisal software by a la mode, inc --- 1-800-ALAMODE

Subject Photographs

Borrower/Client	Socorda & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender	New Century Mortgage Corporation	State	RI
			Zip Code 02863

**Subject Front**

273-275 Rand St

Sales Price 375 000

GFA

Age 00

**Rear View of Subject****Subject Street**

Facing west

Subject Photo Page

Borrower/Client	Sobeida & Juane Valdera & Bahj Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender	New Century Mortgage Corporation	State	RI
		Zip Code	02863

**Additional view of subject front**

273-275 Rand St
Sales Price 375,000
GBA
Age 00

**Subject garages**

Subject Interior Photo Page

Borrower/Client	Soberida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St	County	Providence
City	Central Falls	State	RI
Lender			Zip Code 02863



Subject Interior

273-275 Rand St
Sales Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00

Apt #1 living room



Subject Interior

Apt #1 dining room

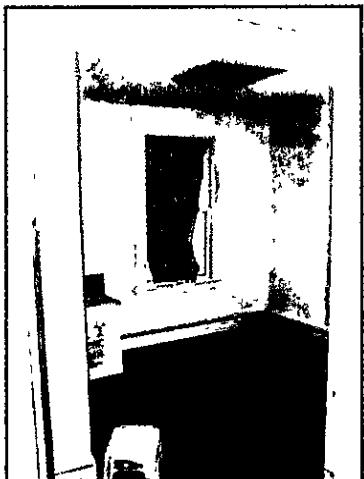


Subject Interior

apt #1, kitchen

Subject Interior Photo Page

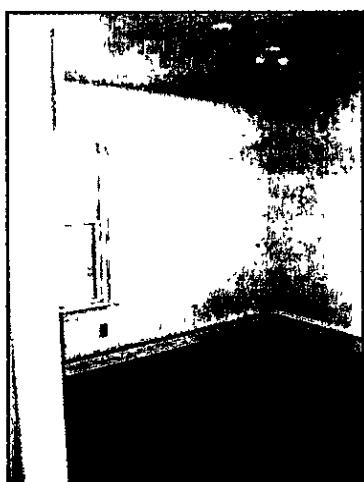
Borrower/Clien	Sobeida & Juane Valdera & Bahij Butros	
Property Address	273-275 Rand St	
City	Central Falls	County Providence
Lender	New Century Mortgage Corporation	State RI Zip Code 02863



Subject Interior

273-275 Rand St
Sales Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00

apt #1, bedroom



Subject Interior

apt #1 bedroom #2

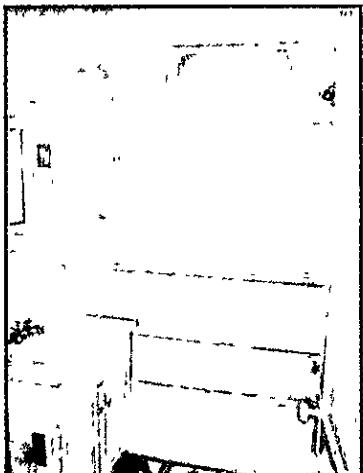


Subject Interior

apt #1, bedroom #3

Subject Interior Photo Page

Borrower/Client	Sobeida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender	New Century Mortgage Corporation	State	RI
		Zip Code	02863



Subject Interior

273-275 Rand St
Sales Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00
Apt #1, bathroom



Subject Interior

Apt #2 bathroom

Subject Interior Photo Page

Borrower: Chen Soberida & Juane Valdera & Bahia Buros	Property Address: 273-275 Rand St	County: Providence	State: RI	Zip Code: 02863
City: Central Falls	Tenor: New Century Mortgage Corporation			



Subject Interior

273-275 Rand St
Sales Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00

Apt #2, living room



Subject Interior

apt #2, kitchen/dining



Subject Interior

apt #2, bedroom

Subject Interior Photo Page

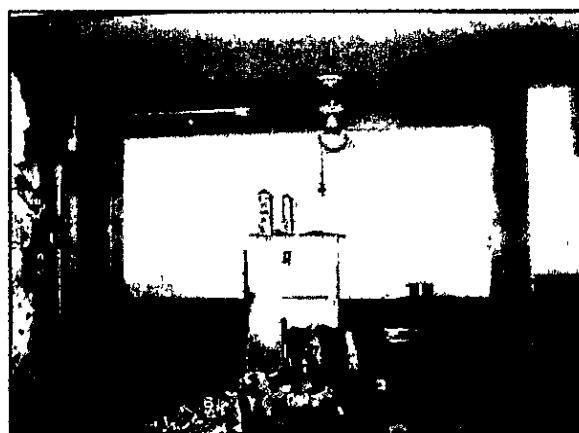
Borrower/Client	Sobeida & Juane Valdera & Bahi Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender	New Century Mortgage Corporation	State	RI
			Zip Code 02863



Subject Interior

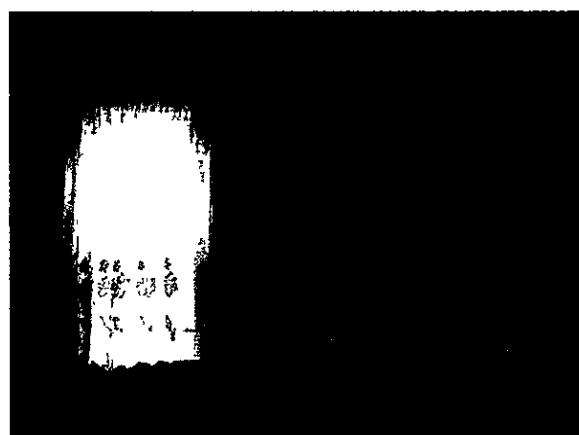
273-275 Rand St
Sales Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00

Unit #4 living room,
looking into front bedroom



Subject Interior

Unit #4, kitchen/dining

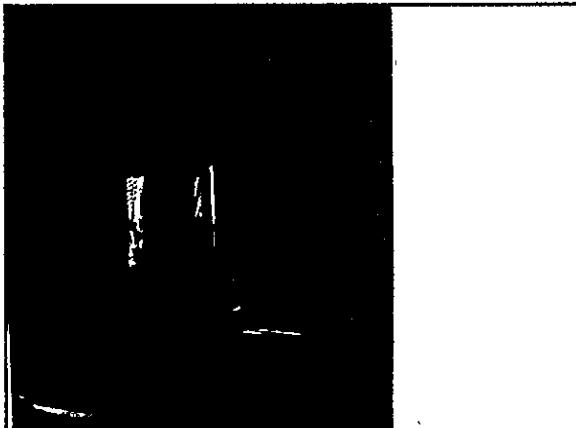


Subject Interior

Unit #4, bedroom #2

Subject Interior Photo Page

Borrower/Client	Sobeida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender	New Century Mortgage Corporation	State	RI
		Zip Code	02863



Subject Interior

273-275 Rand St
Sale's Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00
Unit #4, bedroom #3



Subject Interior

Unit #3, view across
dining room to living room



Subject Interior

Unit #4, bathroom

Subject Interior Photo Page

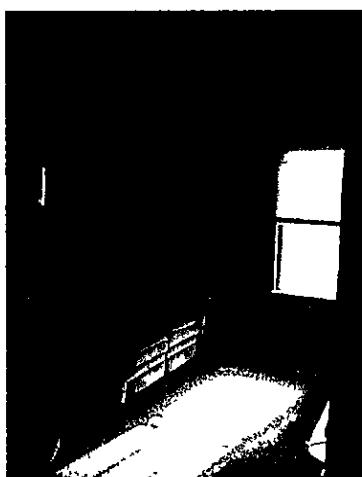
Borrower Client	Sobeida & Juane Valdera & Bahi Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender			



Subject Interior

273-275 Rand St
Sales Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00

Unit #3, bedroom



Subject Interior

Unit #3, living room



Subject Interior

Unit #3, bedroom

Subject Interior Photo Page

Borrower/Clien	Sobeida & Juane Valdera & Bahj Butros	Property Address	273-275 Rand St	County	Providence	State	RI	Zip Code	02863
City	Central Falls								
Lender	New Century Mortgage Corporation								



Subject Interior

273-275 Rand St
Sales Price 375 000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00
Unit #3 Kitchen



Subject Interior

Unit #3, bathroom



Subject Interior

Unit #5, living room

Subject Interior Photo Page

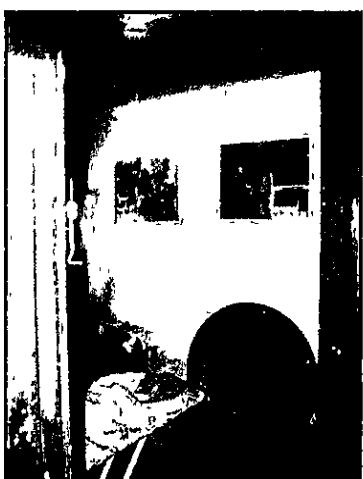
Borrower/Client	Sobeida & Juane Valdera & Bahj Butros		
Property Address	273-275 Rand St	County	Providence
City	Central Falls	State	RI
Lender	New Century Mortgage Corporation	Zip Code	02863



Subject Interior

273-275 Rand St
Sales Price 375 000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00

Unit #5, bedroom #1



Subject Interior

Unit #5, bedroom #2



Subject Interior

Unit #5, kitchen

Subject Interior Photo Page

Borrower/Clien	Sobeida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St		
City	Central Falls	County	Providence
Lender			



Subject Interior

273-275 Rand St
Sales Price 375,000
Gross Living Area
Total Rooms 29
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age 00
Unit #5, bathroom



Subject Interior

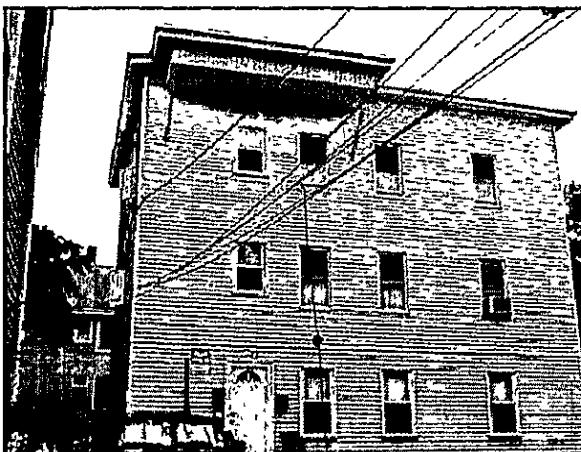
Unit #5 dining room

Comparable Photo Page

Borrower/Clien_ Sobeida & Juane Valdera & Bahjy Butros	Property Address_ 273-275 Rand St	County_ Providence	State_ RI	Zip Code_ 02863
City_ Central Falls				
Lender_ New Century Mortgage Corporation				

**Comparable 1**

30 West Hunt Street
Sales Price 335,000
GBA
Age 25

**Comparable 2**

70 Lincoln Avenue
Sales Price 383,000
GBA
Age 20

**Comparable 3**

33 Sumner Avenue
Sales Price 336,000
GBA.
Age 00

Rental Photo Page

[Page #17]

Borrower Sobeida & Juane Valdera & Baby Butros
Property Address 273-275 Rand St
City Central Falls
Lender New Century Mortgage Corporation

County Providence

State RI

Zip Code 02863



Rental 1

45 knight Street
Proximity to Subj 0 .18 miles
GBA 19
Age/Year Built 80



Rental 2

329 Hunt Street
Proximity to Subj 0 .80 miles
GBA
Age/Year Built 75



Rental 3

205 Hunt Street
Proximity to Subj 0 .95 miles
GBA
Age/Year Built 60

PHOTOGRAPH ADDENDUM

ADDRESS 273-275 RAND STREET

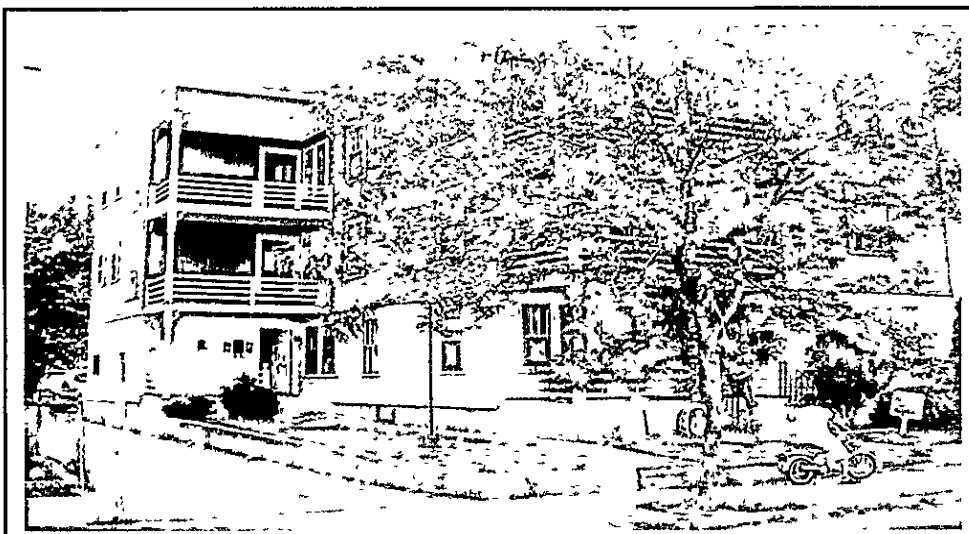
CITY: CENTRAL FALLS

STATE: RI

ZIP: 02863

TYPE: 6 FAMILY

SUBJECT



PHOTOGRAPH ADDENDUM

ADDRESS: 273-275 RAND STREET

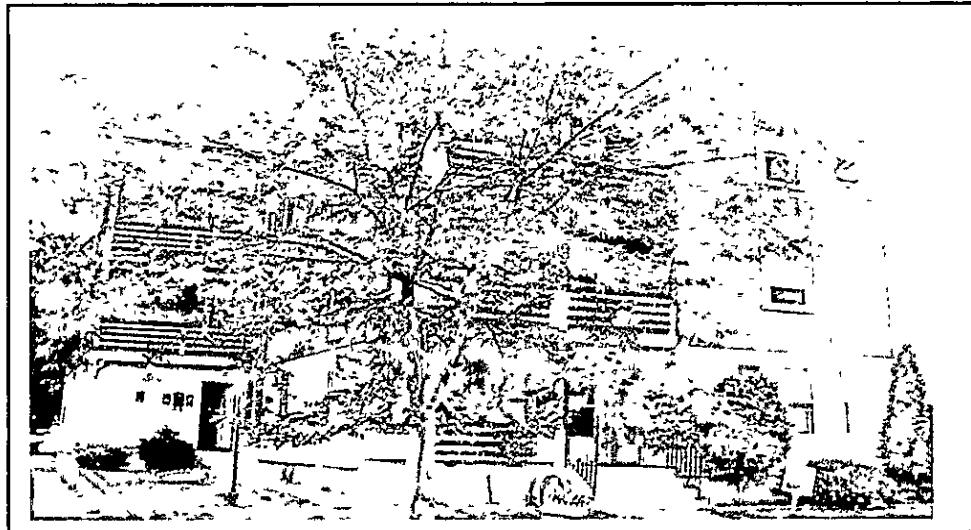
CITY CENTRAL FALLS

STATE: RI

ZIP: 02863

TYPE: 6 FAMILY

SUBJECT



PHOTOGRAPH ADDENDUM

ADDRESS: 273-275 RAND STREET

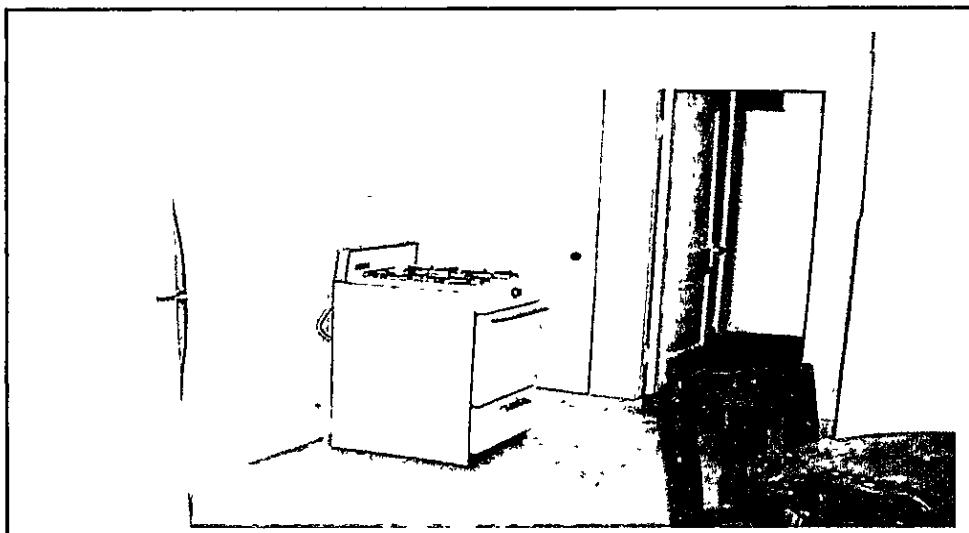
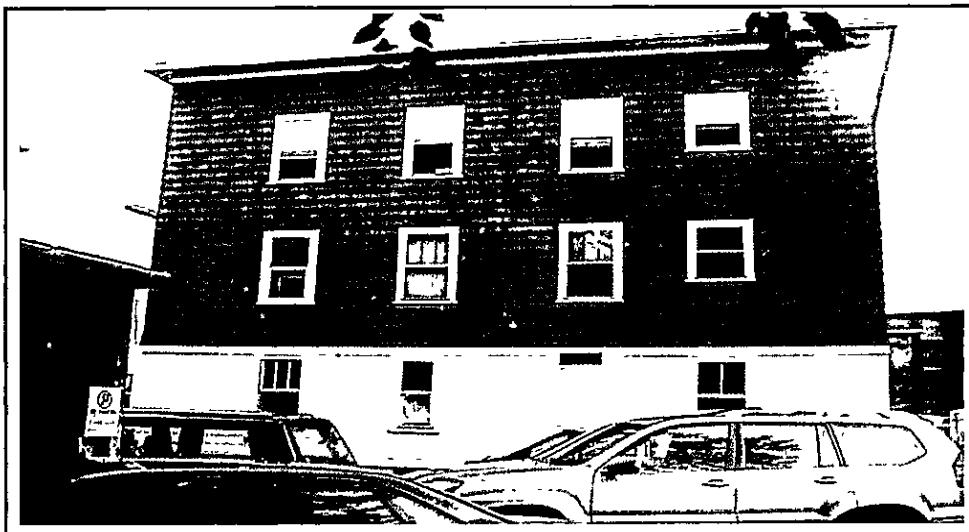
CITY: CENTRAL FALLS

STATE: RI

ZIP: 02863

TYPE: 6 FAMILY

SUBJECT



PHOTOGRAPH ADDENDUM

ADDRESS 273-275 RAND STREET

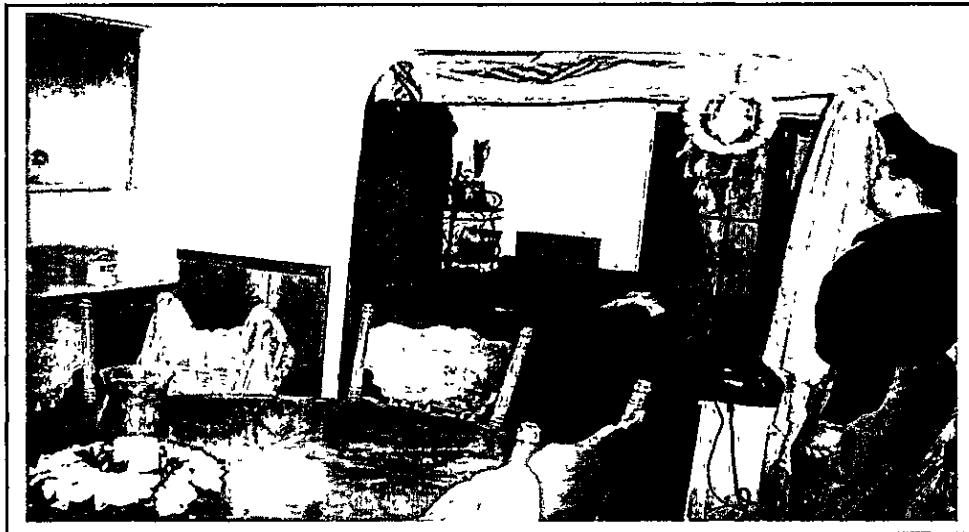
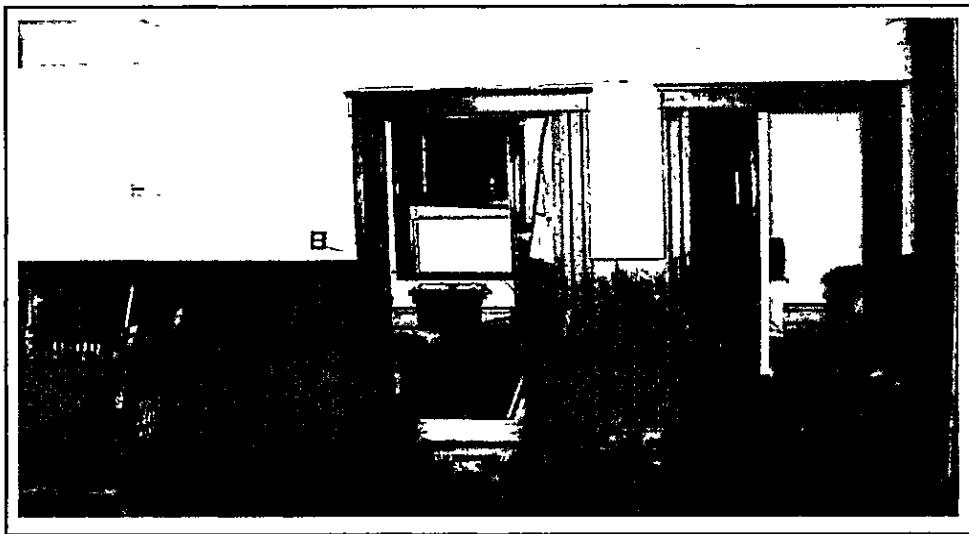
CITY, CENTRAL FALLS

STATE RI

ZIP 02863

TYPE 6 FAMILY

SUBJECT



PHOTOGRAPH ADDENDUM

ADDRESS 273-275 RAND STREET

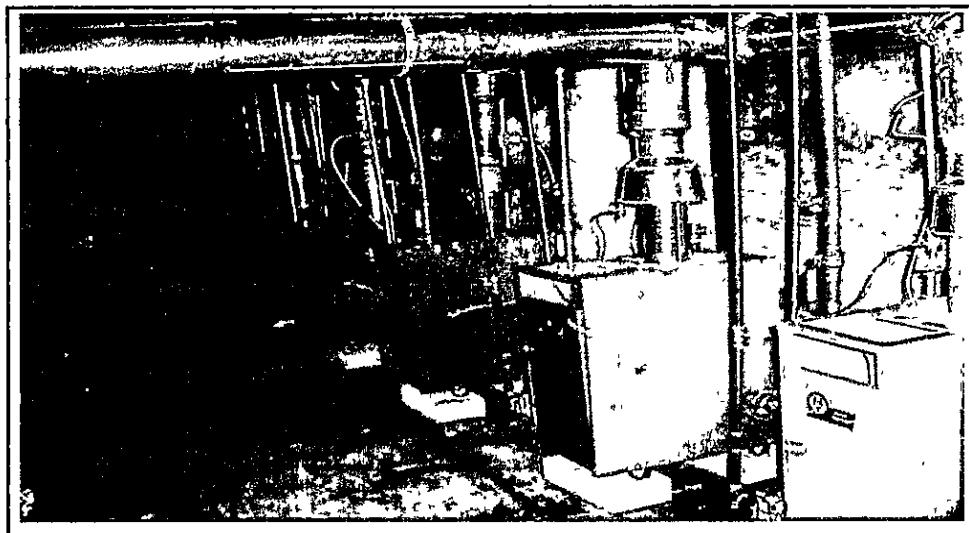
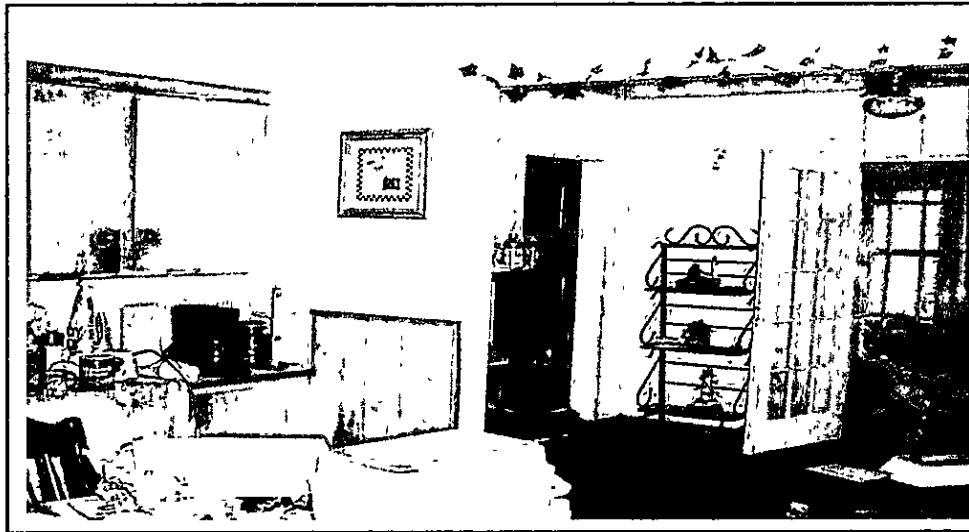
CITY: CENTRAL FALLS

STATE: RI

ZIP: 02863

TYPE: 6 FAMILY

SUBJECT

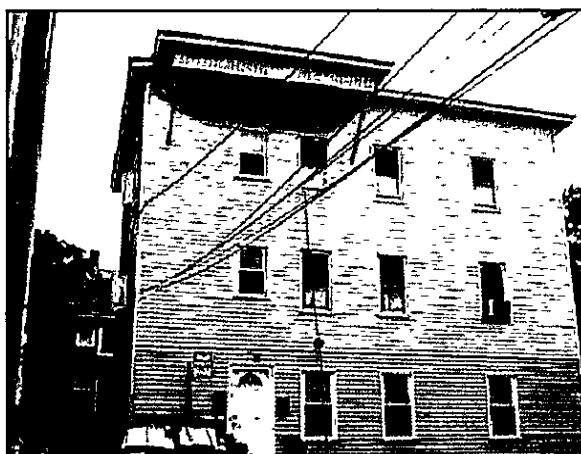


Comparable Photo Page

Borrower/Client	Sobeida & Juane Valdera & Bahij Butros		
Property Address	273-275 Rand St	County	Providence
City	Central Falls	State	RI
Lender			Zip Code 02863

**Comparable 1**

30 West Hunt Street
 Sales Price 335 000
 GBA
 Age 25

**Comparable 2**

70 Lincoln Avenue
 Sales Price 383,000
 GBA
 Age 20

**Comparable 3**

33 Sumner Avenue
 Sales Price 336,000
 GBA
 Age 00